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**AGENDA**

Wednesday, October 19, 2016

Colorado Aeronautics Division

Joseph H. Thibodeau Room

5126 Front Range Parkway - Watkins, CO 80137

12:30 P.M.

PLEDGE OF ALLEGIANCE

1. CALL TO ORDER

2. APPROVAL OF MEETING MINUTES

2.1. August 10, 2016 - General Meeting

Action Needed

3. AMENDMENTS TO THE AGENDA

4. BOARD MEMBER REPORTS

5. PUBLIC COMMENTS

6. DIRECTOR'S REPORT - Dave Ulane

7. PARAGON AUDIT PROGRESS REPORT - Dave Ulane

8. FINANCIAL UPDATE

8.1. Aviation Fund Update - Dave Ulane & Bryce Shuck

8.2. Financial Update Dashboard - Bryce Shuck

9. AKRON 2016 SCOPE AMENDMENT REQUEST - Todd Green

Action Needed

10. REMOTE TOWER PROJECT UPDATE - Bill Payne

11. LEGISLATIVE ISSUES

12. CALENDAR -

- Wednesday, November 9, 2016 - 1pm - CAB General Meeting- Division Offices - Watkins, CO
- Wednesday, December 14, 2016 - 1pm - CAB General Meeting- Division Offices - Watkins, CO

13. OTHER MATTERS BY PUBLIC & MEMBERS

14. EXECUTIVE SESSION

14.1. Motion to Enter Executive Session & Dismiss the Public

"Executive Session of Colorado Aeronautical Board to discuss Personnel Matters (Division Director's Annual Performance Review). Executive Session will be held pursuant to C.R.S. 24-72-204 (3) (a) and Colorado Department of Transportation Procedural Directive 4.1 (6) (c)."

14.2. Motion to Exit Executive Session & Invite the Public to Return to the Meeting

15. ADJOURNMENT

16. CAB/STAFF WORKSHOP





## COLORADO

### Aeronautical Board

MINUTES  
Board Meeting  
Wednesday, August 10, 2016 | 1:00 pm  
Denver International Airport  
City Conference Room  
8500 Pena Boulevard | Denver, CO 80249

#### MEMBERS PRESENT:

Ray Beck  
Ann Beardall  
John Reams  
Jeff Forrest  
Robert Olislagers  
Joe Rice  
William "T" Thompson

Chairman  
Vice-Chair  
Secretary

#### OTHERS PRESENT:

David Ulane	CDOT - Division of Aeronautics Director
Christine Eldridge	CDOT - Division of Aeronautics
Todd Green	CDOT - Division of Aeronautics
TK Gwin	CDOT - Division of Aeronautics
Bryce Shuck	CDOT - Division of Aeronautics
Shahn Sederberg	CDOT - Division of Aeronautics
Scott Storie	CDOT - Division of Aeronautics
Kaitlyn Westendorf	CDOT - Division of Aeronautics
John Bauer	FAA - Denver ADO
Maggie Covalt	Applied Pavement Technology
Angela Folkestad	CO/WY Chapter - ACPA
Jim Fritze	Former CAB Member
Ray Hawkins	Seaplane Pilots Association
Bryan Johnson	Rocky Mountain Metropolitan Airport
Steve Lee	Denver International Airport/Colorado Airport Operator's Association
Jason Licon	Fort Collins-Loveland Airport
Bob Lohne	
Kenny Maenpa	Jacobs Engineering
Leo Milan	Office of the Attorney General
Bill Payne	William E Payne & Associates
Chris Schaffer	FAA - Denver ADO
John Sweeney	FAA - Denver ADO
John Thompson	CH2M
Bill Totten	Colorado Pilots Association

Carrie Truschke  
Steve Wolf

Applied Pavement Technology  
FNL Pilots Association

*Pledge of Allegiance*

1. CALL TO ORDER

Meeting commenced at 1:02 pm.

2. APPROVAL OF MEETING MINUTES

John Reams made the MOTION to approve the minutes from June 2, 2016 and Robert Olislagers seconded.

The MOTION carried unanimously.

3. AMENDMENTS TO THE AGENDA

There were no amendments to the agenda. Jeff Forrest made the MOTION to approve the agenda as presented and Ann Beardall seconded.

The MOTION carried unanimously.

4. SOUTHWEST AIRLINES UPDATE

Mike Sikes, Business Development Senior Manager, gave an informative presentation on past, current and future endeavors at Southwest Airlines.

5. BOARD MEMBER REPORTS

Joe Rice said that the Colorado Space Business Roundtable is once again doing their Aerospace Business Development road trips, August 29th through September 2nd. William "T" Thompson had nothing to report, but apologized for missing the last CAB meeting. Jeff Forrest had nothing to report. Robert Olislagers said that Centennial will conduct three live fire drills next week. He also spoke about some upcoming aviation conferences and meetings occurring later this month. Robert announced that the main runway at Centennial Airport will shut down for 35 days for a complete rehab, beginning August 22nd. John Reams had nothing to report. Ann Beardall spoke about many aviation events that have taken place or will take place this summer. Ray Beck said that he, David Ulane, Robert Olisalgers and Bill Payne gave an aviation presentation at the Colorado Municipal League Annual Conference at Vail in June. Ray briefed the Board on various upcoming Club 20 events.

## 6. PUBLIC COMMENTS

Jason Licon spoke in support of the William E Payne & Associates Remote Tower contract, which will be presented to the Board for consideration today. Jason expressed his appreciation to the Surplus Program, which took place at Denver International Airport last week. Jason also took a moment to thank TK Gwin for his years of service at the Division and to wish him well as he prepares for retirement. At this time, Ray Beck requested that each member of the audience take a moment to introduce themselves.

## 7. DIRECTOR'S REPORT

David referred to a written memo provided to the CAB in their packet, outlining his activities since the last meeting. He spoke about some upcoming events and conferences that he and staff will be attending.

## 8. PARAGON AUDIT PROGRESS REPORT

David Ulane said that since this will be a topic for discussion at the workshop in September, he will keep this update brief. He said that since June, we have closed out four more of the 23 recommendations, which means there are only two remaining items to complete. David believes we can close those two items by the end of the year.

## 9. FINANCIAL UPDATE

### 9.1 Aviation Fund Update

David Ulane said that the Division had forecasted that we would end FY16 with \$16.5M in total revenue, but we actually ended FY16 with \$16.8M in total revenue.

### 9.2 Financial Update Dashboard

Bryce referred to the financial dashboards within the Board Packet and discussed the information contained in each of the six graphs. He informed the CAB that there may still be adjustments to these numbers, as CDOT prepares to close financial period 13. Bryce said that although the Memorandum of Understanding (MOU) with the State Treasurer expires on April 1, 2020, we are forecasting to be in the "recovery zone" in December 2018. As of the end of June, the Aviation Fund balance was -\$4.508M. The interest rate on our loan with the State Treasurer for June was .93 percent and the monthly interest payment was approximately \$3,000. In June, we received \$419,000 in sales tax revenue and sales tax refunds disbursed back to the airports totaled \$1.298M. In June, the Excise revenues to the Division were \$76,467 and \$400,359 was disbursed back to the airports. Our FY16 year-to-date revenue is \$16.8M and our forecast was \$16.7M. Bryce said that in June, the Division's administrative expenditures were \$87,128, bringing the cumulative fiscal year administrative costs to \$993,264. The Division came in well under the approved budget of \$1.104M. David added that at the workshop in September, we will discuss the various tools and scenarios that the staff is using to forecast finances in an attempt to not repeat what occurred in 2014.

### 9.3 Grant Administrative Update

TK Gwin referred to a memo provided to the CAB, detailing grants that are in the process of executing administrative amendments and/or new intern program contracts since the last Board meeting. These are typically done for grant amendments that do not require a change in scope of work or additional funding. Term extensions are also a part of this procedure. TK said that we had two new intern requests, one from Durango and the other from Eagle. Both were for six month internships. This brings the total amount spent on internships this year to \$104,000. TK added that in 2014, Walsenburg was granted \$400,000 for relocation of overhead power and a county road, AWOS maintenance, a tractor with attachments and overmatch for the west connector taxiways and ramp expansion to include an airport beacon. The federal project came in high when it was first bid and has since been rebid and is still over budget, but not by as much. The FAA has awarded an additional \$200,000 to complete the project. The removal of the overhead power and county road relocation element of the grant is complete, but still has funds remaining. Walsenburg requested to move \$11,111 from that element to the federal match element in order to complete the project. No additional funding was requested.

### 9.4 DEN Surplus Sale Recap

Kaitlyn Westendorf said that the sale took place last Wednesday at DIA. We had 14 airports RSVP for the sale, 13 attended and 11 left with equipment. The most popular equipment items were three tractors, all of which were sold quickly. The amount that was approved was \$250,000 and the actual amount spent was \$153,675. The plan is to have another sale next year. David Ulane gave kudos to Kaitlyn, Todd Green and Scott Storie for their amazing work at this event. He also acknowledged Steve Lee and the tremendous partnership we have between DIA and the Division.

## 10. WEB BASED INFORMATION MANAGEMENT SYSTEM (WIMS) SHARING POLICY

David Ulane said that one of the findings of the Paragon external audit was in relation to the sharing of our WIMS program with other state aeronautical agencies, specifically the "MOU drafted to share WIMS system code with the State of Idaho without CAB discussion and approval". The auditors recommended that "any request regarding Aeronautics intellectual property and its distribution should be discussed with the CAB before taking any further action". As a result, staff ceased all efforts to share any part of WIMS and the draft MOU with Idaho was never implemented. Since that time, staff has revisited this issue and would like to explore the possibility of sharing this successful program with other state aeronautics agencies. We have met with the Governor's Office of Information and Technology (OIT) to discuss how this might take place and get their approval. They are willing and eager to share the state's Salesforce-based applications with other state agencies to cement Colorado's leadership position, which supports CDOT's mission of becoming the best DOT in the nation. Additionally, we have had separate but related discussions with the FAA about the sharing of our General Aviation Airport Sustainability Program, which resides in WIMS, and they are extremely supportive of that. David asked the CAB to approve the Division's sharing of our WIMS application with other state agencies (at no cost to the Division), in accordance with any restrictions, requirements, limitations or conditions as may be implemented by OIT and the Office of the State Attorney General. William "T" Thompson made the MOTION to approve this request and Robert Olislagers seconded.

The MOTION carried unanimously.

## 11. REMOTE TOWER/BLENDED AIRSPACE PROJECT UPDATE

William "T" Thompson requested that this agenda item be moved prior to the WEPA contract agenda item. Bill Payne said that the evaluation of the unsolicited proposal to the FAA NextGen Program Office from Thales Corporation has concluded and the FAA has elected not to accept the proposal. Bill is having discussions with other interested parties, now that Thales is no longer being considered. This has caused some delay in the original timeframe, but Bill feels the time can be made up as soon as a vendor has been selected. William "T" Thompson referred to Bill's latest progress report and questioned what appears to be inactivity. Bill informed the Board that the FAA is running the program and that his role is to represent the Division of Aeronautics and State of Colorado. He said he can prod and poke and does have some influence, but it is still the FAA's program. Bill addressed some of the specific aspects of this project and mentioned the areas that he can affect, still mindful of the fact that the project belongs to the FAA. He added that the Remote Tower Project is something that is high on FAA Administrator Michael Huerta's list of priorities, since it is the future of air traffic control for airports. The issue is that airports can't fund these projects. Bill added that the FAA is interested in developing a vendor list and currently there is only one company on that list, Saab Sensis.

## 12. WILLIAM E PAYNE &amp; ASSOCIATES (WEPA) CONTRACT

David Ulane took a moment to brief the CAB on the history of the previous contracts with WEPA. He then referred to a memo given to the Board that completely outlines the proposal and scope of work on the request for this new contract for the Remote Tower Project. David reiterated that one of the biggest challenges with these projects is that although they are funded by us, they are managed by the FAA. We can attempt to encourage, influence and coax, but in the end the FAA runs the program. Of the \$8.8M given to the FAA by the Division in 2013, just under \$6M remains unspent. David said he and Bill Payne met to discuss what was left to do on this project, develop a scope of work and determine a price. Like the previous contracts, this will be a fixed fee contract. David took an additional step and requested that Mead & Hunt preform an Independent Fee Estimate (IFE) on the scope of work. The fee that WEPA came up with for this project is \$381,077 for three years and the fee that Mead & Hunt said they'd charge for the same scope of work is \$604,319. There was a lengthy discussion between the Board, Bill and David, with many questions asked and answered. One of the suggestions was that the WEPA contract should go year to year and it was determined that all State contracts have a clause where we can terminate the contract if we so desire. David contacted Paul Fontaine with the FAA to see if the funds we already provided to them could be used to pay for Bill's contract and he said they would be willing to do that, but are not sure that they can legally do that. It sounds like the FAA could pay Bill directly for his work on this project, but then he would no longer be working on behalf of the Division. David will continue to have conversations with the FAA to determine what the best path forward will be on this project. Robert Olislagers made the MOTION to approve this contract request, as is, and John Reams seconded.

There was some follow up discussion on the desire of the Board to have reviews and progress reports on the status of the project. Ann Beardall requested that the progress reports be presented in a bar graph format, rather than written reports. Dave handed out an example of what could be provided to the CAB and they felt it would be helpful. In light of the IFE price determination that Mead & Hunt provided, Robert asked if the Board was prepared to spend additional funding on this project if something were to happen to Bill. Dave assured the Board that he has been engaged in this project, which means participating in conference calls and attending meetings with Bill, even in Washington D.C. **William "T" Thompson said he doesn't**

understand why the FAA doesn't fund this project, since it will benefit the entire nation. Bill said that the FAA will not fund Remote Towers. Ray stated that Colorado has always taken the lead in these types of projects and we are known for thinking outside of the box and for being pioneers.

William "T" Thompson and Ann Beardall abstained from the vote.

The MOTION carried unanimously.

### 13. CAB GOVERNANCE DOCUMENT REVIEW

David Ulane said that this document was created in 2010 as a result of the 2009 Internal Audit and had not been updated since then. Over the last several months, Ann Beardall, William "T" Thompson, Ray Beck, Leo Milan and David have revised the document and it is now ready for acceptance by the Board. Two topics that are newly referenced in this revision concern Executive Sessions and Robert's Rules of Order. Also, the document now stipulates that it shall be reviewed by the Board every three years. Ann Beardall made the MOTION to accept this document as presented and Jeff Forrest seconded.

The MOTION carried unanimously.

### 14. LEGISLATIVE ISSUES

#### 14.1 FAA Reauthorization

David Ulane said that a couple months ago, Congress did reauthorize FAA for the next fiscal year. John Bauer added that the FAA still has the appropriation part of the bill to be acted upon.

#### 14.2 Seaplane Legislation Update

Ray Hawkins gave a quick update on the Seaplane Splash-In event that took place on June 18th at Lake Meredith. There were four seaplanes that landed on the lake and Ray briefly spoke about each one of them. He said that the economic impact of this event was approximately \$36,000 and added that they hope to have another event like this next year at a privately owned lake in the Ft Collins/Greeley area. Future legislative proposals include bills for access, invasive species procedures and recreational use.

### 15. PROPOSED CALENDAR

The next scheduled CAB meeting will take place in conjunction with the CAB Workshop on Wednesday, September 14th at the Division Offices.

### 16. OTHER MATTERS BY PUBLIC & MEMBERS

Joe Rice said he would like to discuss Essential Air Service at a future CAB meeting. After adjournment, there will be a special recognition given to TK Gwin for his 17 years of service to the Colorado Division of Aeronautics and the State Aviation System, as he will be retiring at

the end of the month.

17. ADJOURNMENT

William "T" Thompson made the motion to adjourn and Ann Beardall seconded.

The MOTION carried unanimously.

The meeting adjourned at 3:18 pm.





## Division Director's Report October 19, 2016

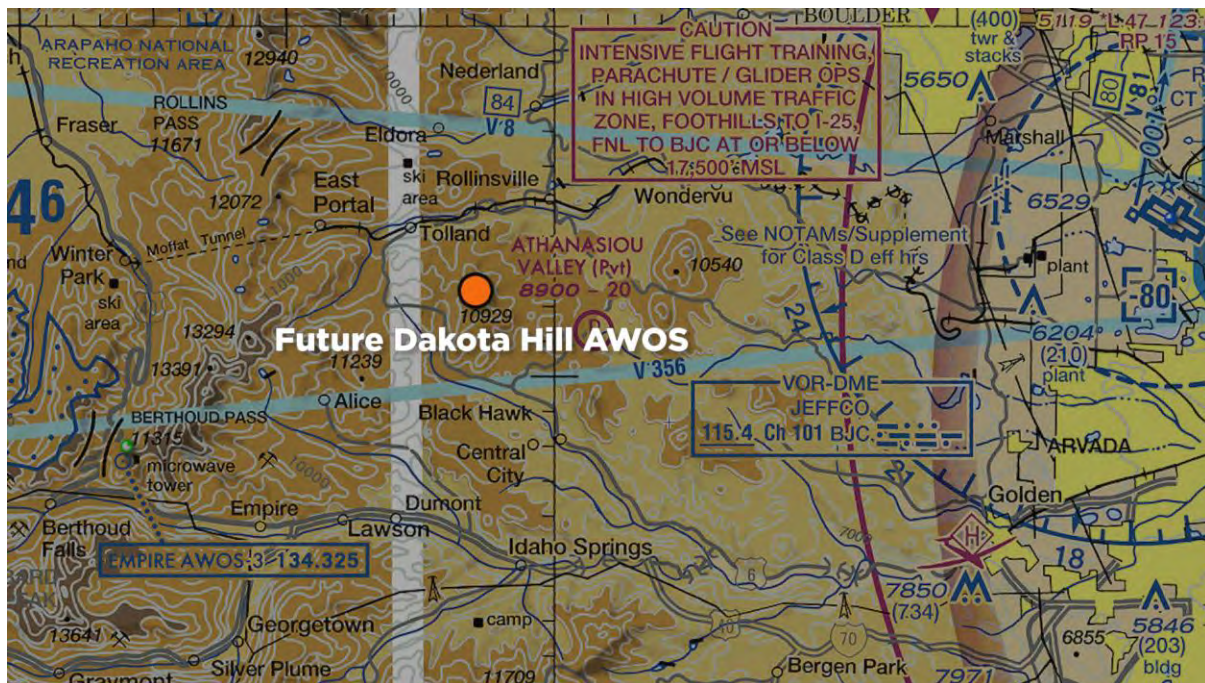
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### Recent Activities/Items

- **CDOT Unmanned Aircraft Systems (UAS) Procedural Directive-** Over the past six months, I have been working closely with CDOT's Office of Policy and Government Affairs to develop CDOT's first Procedural Directive (PD) governing how CDOT's various divisions will procure, operate and manage the Department's internal use of UAS. Through our Division, CDOT currently has a blanket certificate of authorization (COA) from FAA allowing CDOT to use UAS statewide below 400' agl and outside of controlled airspace. Currently, the only CDOT use of UAS is by our Geohazards group for rockfall mitigation, however CDOT has identified over 80 specific potential uses, and UAS use is expected to expand rapidly. CDOT's COA includes 14 pages of requirements and stipulations, and the PD is drafted to ensure that all CDOT use of UAS complies with the COA, and that appropriate training and recordkeeping processes are in place. Given our expertise and familiarity with FAA compliance and our COA, Aeronautics has stepped up to the plate on CDOT's UAS use. Under the PD, each Division will be responsible for their own UAS operations, however required training programs and recordkeeping systems will be managed by Aeronautics, providing for department-wide UAS operating consistency, as well as a central repository for all CDOT UAS use information. You'll recall that our new contract with WEPA includes scope of work to assist us with this effort, and the PD provides for financial reimbursement to our Division for our assistance to other Divisions with their UAS use. The PD is scheduled for review by the CDOT executive management team the morning of the CAB meeting, so I'll have more information later that day.
- **NASAO Annual Conference- September 11-13-** Last month Todd Green and I attended the National Association of State Aviation Official's annual conference in San Antonio, which was an excellent opportunity for us to network with our peers from across the country. At the meeting, I chaired a meeting of NASAO's GA Security Committee, which is geared towards addressing security issues at the state level, and how state aviation/ aeronautics agencies can support security needs statewide. Todd participated on a panel discussion about our WIMS technology, and there was great interest in and appreciation for our ability to share WIMS. (Thanks to a scholarship from NASAO, Todd's registration fee was at no cost to the Division.)
- **Final DEN Surplus Equipment Sale Report-** As we briefed at our August meeting, this year's Denver International Airport (DEN) surplus equipment sale was a huge success. We now have all of the equipment grants paid and closed out. As the attached detailed summary shows, 11 airports received CDAG grants totaling \$153,675, which they matched with \$54,575 of their own funds. Please note that airports which bid on multiple pieces of equipment have lower overall state funding percentages since the first piece is 80% state funded, and pieces two and three are funded at 50%

## Upcoming Activities/Items

- **Airport/Consultant Workshop-** On October 18<sup>th</sup>, we will once again be partnering with the FAA to hold our annual airport/consultant workshop here at Front Range Airport. This well-received event will give us, FAA and airports a great opportunity to review grant and capital improvement plan processes, and discuss upcoming state and FAA grant funding and other issues with airports. This is the day before our October CAB meeting, so if you would like to attend the workshop, please let Kaitlyn know so she can make appropriate arrangements.
- **Wolf Creek AWOS Relocation-** After almost two years of coordination effort, we are getting close to having our Wolf Creek AWOS unit relocated from the Wolf Creek Ski Resort to Lobo Peak, across highway 160, less than two miles from its current site. A significant benefit of this new location is that our AWOS will be co-located with other state Office of Information Technology (OIT) equipment. This will allow our OIT technicians better access to the site, and the AWOS equipment will be more secure. Additionally, the electrical grounding is better at the new site, as is the external communication link. During the relocation, the AWOS will be offline for at least a few days, weather permitting, but should be fully back online by our meeting. Kudos are due to Christine Eldridge for her tenacity in getting this AWOS relocated- the coordination involved many stakeholders over the past two years.
- **New Dakota Hill AWOS Update-** On Thursday September 1<sup>st</sup>, the Governor's Office of Information Technology (OIT) began installation of our 13<sup>th</sup> Automated Weather Observing System (AWOS) on Dakota Hill, south of Corona Pass in Gilpin County. Work has progressed well since our September report, but there are several more installation, calibration and communication connection steps to make. We're optimistic this new AWOS will be up and fully running by the winter flying season.



## 2017 DEN Surplus Equipment Program Summary

Account	Grant Full Name	SRM PO	Status	State Percent	State	Local	Total	Total State Claims	Last Paid Drawdown
Astronaut Kent Rominger Airport	17-RCV-S01	411010224	Closed	80.00%	\$4,000.00	\$1,000.00	\$5,000.00	\$4,000.00	10/3/2016
Colorado Springs Municipal Airport	17-COS-S01	411010246	Closed	58.77%	\$8,375.00	\$5,875.00	\$14,250.00	\$8,375.00	9/6/2016
Eagle County Regional Airport	17-EGE-S01	411010245	Closed	74.00%	\$18,500.00	\$6,500.00	\$25,000.00	\$18,500.00	9/20/2016
Fort Morgan Municipal Airport	17-FMM-S01	411010225	Closed	80.00%	\$4,000.00	\$1,000.00	\$5,000.00	\$4,000.00	9/1/2016
Greeley-Weld County Airport	17-GXY-S01	411010244	Closed	78.24%	\$6,650.00	\$1,850.00	\$8,500.00	\$6,650.00	8/16/2016
Gunnison-Crested Butte Regional Airport	17-GUC-S01	411010241	Closed	78.24%	\$6,650.00	\$1,850.00	\$8,500.00	\$6,650.00	8/15/2016
Lamar Municipal Airport	17-LAA-S01	411010226	Closed	80.00%	\$4,000.00	\$1,000.00	\$5,000.00	\$4,000.00	9/26/2016
Meadow Lake Airport	17-FLY-S01	411010243	Closed	68.18%	\$22,500.00	\$10,500.00	\$33,000.00	\$22,500.00	8/29/2016
Northern Colorado Regional Airport	17-FNL-S01	411010242	Closed	78.85%	\$20,500.00	\$5,500.00	\$26,000.00	\$20,500.00	8/16/2016
Rocky Mountain Metropolitan Airport	17-BJC-S01	411010263	Closed	80.00%	\$40,000.00	\$10,000.00	\$50,000.00	\$40,000.00	9/28/2016
Sterling Municipal Airport	17-STK-S01	411010240	Closed	66.07%	\$18,500.00	\$9,500.00	\$28,000.00	\$18,500.00	9/1/2016
				<b>Totals</b>	<b>\$153,675.00</b>	<b>\$54,575.00</b>	<b>\$208,250.00</b>		



**COLORADO**  
Department of Transportation  
Division of Aeronautics

5126 Front Range Parkway  
Watkins, CO 80137

## MEMORANDUM

TO: Colorado Aeronautical Board  
FROM: BRYCE SHUCK - BUSINESS MANAGER  
DATE: OCTOBER 19, 2016  
SUBJECT: DIVISION FINANCIAL FORECASTS & PROCESS IMPROVEMENTS

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*\*Note, there is no financial dashboard for this month, with the data for the FY still lacking quantity, we instead are focusing on the forecast for the division for the year, in comparison to the initial budget. Additional detail will be covered at the Workshop\**

### Budget vs Forecast:

1. Our budget numbers for FY17 were finalized back in February. We've begun to forecast out our expected results for FY17, and have some variances already showing up.
  - a. Revenues are expected to be higher than what was originally budgeted.
    - i. Rise is due to increased expectations for fuel revenues, driven largely by the gallon increase at DEN for commercial fuel.
  - b. Expenses are expected to be higher than originally budgeted.
    - i. Biggest driver in Expenses is that we are forecasting over 1.6m more being spent in CDAG for the year, this is due to overall CDAG drawdowns in FY16 being less than had been originally projected, meaning more grant payments have been pushed to future years.
  - c. Overall, we are forecasting a small surplus for the year of \$152,347 which is in contrast to an initial budgeted deficit of 789,797. As outlined in the scenarios modelling we will look at, we expect that we have already seen the lowest point for the fund, and we will continue an overall upward trajectory from the start of this FY, with of course monthly variations in cash flow.



Other Pertinent Data:

1. The Division saw a \$1,355,012.75 adjustment coming from DOR for improperly filed taxes by United/Suncor from January & February 2013.
  - a. Division's loss will be \$474,254.46
  - b. DEN will be on the hook for \$880,758.29
    - i. This has been communicated to DEN, and they are aware it will be upcoming whenever DOR takes the funds from the division.
2. This adjustment was booked to FY16, which knocked the division revenues down to \$15.5m from \$16.8.
  - a. Overall the division saw over 4 million in adjustments in FY16 to revenue due to amended tax filings with DOR from previous years.
3. The Division has implemented procedures to track returns by airlines at DEN, this will identify any unusual trends that highlight potential adjustments in the future
  - a. Did not catch this adjustment since it was before 3 years, which is statutory limit.
    - i. DOR has had this, and is still reviewing, for at least 7 months. We are working on getting a more formal process for them to notify us of pending adjustments, so this doesn't occur again.
  - b. Based on our new procedures, we do have another adjustment we anticipate in the future, but its dollar amount (250k-500k) (90k-175k for the division), isn't as significant.

Misc. Info for FY16:

- DEN was 82% of Sales Tax Revenue
- DEN was 71% of Overall Revenue





## CDOT Division of Aeronautics

### FINANCIAL SUMMARY

As of 10/04/16

	<u>Budget FY17</u> <i>as of 10/04/16</i>	<u>Forecast FY17</u> <i>as of 10/04/16</i>
<b>YTD REVENUE</b>		
FUEL REVENUES	\$16,940,000	\$18,526,909
OTHER REVENUES	\$60,000	\$95,839
<b>TOTAL REVENUE</b>	<b>\$17,000,000</b>	<b>\$18,622,748</b>
<b>YTD EXPENSE</b>		
ADMINISTRATION	\$973,537	\$843,907
DISCRETIONARY GRANTS	\$2,619,714	\$4,275,391.20
FUEL REFUNDS	\$12,220,664	\$11,795,519
INTERN PROGRAMS	\$150,000	\$128,073
FAA GRANTS	\$0	\$0
STATEWIDE INITIATIVES	\$1,575,882	\$1,427,510
<b>TOTAL EXPENSE</b>	<b>\$17,539,797</b>	<b>\$18,470,400</b>
<b>FY 2017 SURPLUS/ DEFICIT</b>	<b>(\$539,797)</b>	<b>\$152,347</b>

<b>GALLONS FOR COMMERCIAL JET FUEL AT DEN</b>		
<u>Month</u>	<u>Gallons at DEN</u>	<u>Month Over Month Increase</u>
Sep-15	30,408,245	
Oct-15	32,169,457	6%
Nov-15	30,134,815	-6%
Dec-15	33,189,609	10%
Jan-16	30,261,611	-9%
Feb-16	28,134,367	-7%
Mar-16	34,963,800	24%
Apr-16	32,516,937	-7%
May-16	35,628,786	10%
Jun-16	38,882,300	9%
Jul-16	38,990,079	0%
Aug-16	37,456,882	-4%
<b>YEARLY TOTALS</b>	<b>402,736,888</b>	<b>23%</b>



**COLORADO**  
Department of Transportation  
Division of Aeronautics

5126 Front Range Parkway  
Watkins, CO 80137

## MEMORANDUM

**TO:** Colorado Aeronautical Board  
**FROM:** Todd Green  
**DATE:** October 19, 2016  
**SUBJECT:** Colorado Plains Regional Airport Amendment Request

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**Airport: Colorado Plains Regional Airport (Akron)**

Grant to be Amended: 16-AKO-01

Supplemental Funding: \$0

In January 2016 the Colorado Plains Regional Airport was awarded a State grant to match the airport's \$300,000 of FAA Non-Primary entitlements. The grant funds were planned to be used to update the airport's Master Plan. In recent months the airport's Precision Approach Path Indicators (PAPIs) have become unreliable as they have started to operate intermittently. They have reached the end of their expected life span and need to be replaced rather than be continually maintained.

The Town of Akron is requesting to expand the scope of their currently approved 2016 State grant to include this new work without any additional funding. The Town has also been in contact with the FAA to ensure that the scope for the Master Plan could be reduced to meet the needs of the PAPI replacement. The exact amount that will be needed to replace the PAPIs has not yet been determined, but will be prior to contracting the grant. The Federal, State, and local amounts of the grant will remain the same:

Federal: \$300,000

State: \$16,666

Local: \$16,667

**This request is supported by the staff.**

*This original request was approved by the Board, but this scope amendment request requires additional approval. This is action item.*



September 30, 2016

From: William E. Payne, P.E.  
To: Colorado Division of Aeronautics

**Section A – Blended Airspace/Remote Air Traffic Control Progress Report #02**

Re: Period: September 1, 2016 through September 30, 2016

**Remote Tower Project Narrative:**

The FAA has decided in light of the failed review of the unsolicited proposal to move forward and publish a Request for Information (RFI). This approach is done to more closely align with FAA's Acquisition Management System (AMS). This method will vary from the standard AMS process in that after a qualified vendor is selected, the FAA will execute an Other Transaction Agreement (OTA) with the vendor in lieu of an FAA contract. Executing an OTA will greatly reduce the time required to select a vendor. FAA legal has opined that an OTA cannot be protested thus reducing the possibility of further delays.

The Associate Administrator for NextGen will make the final decision as to the ability to use an OTA versus a standard FAA contract. An FAA contract will require between 12 to 18 months to complete.

In addition to selecting the vendor to install the Colorado remote tower system at the Northern Colorado Regional Airport, this strategy will meet the goal set forth by the FAA Administrator to develop a Qualified Vendor List (QVL) for remote towers in the NAS.

Members of the NextGen remote tower team performed a site visit on Wednesday, September 21, 2016. Dave Ulane, Jason Licon and Bill Payne were in attendance. Location for the remote tower system computer human interface (CHI) was the major topic of discussion. There are three realistic possibilities:

1. A freestanding facility;
2. Modify an existing on airport facility;
3. An offsite facility perhaps at CSU.

Each of these has advantages and disadvantages to be considered. We are in the process of developing the facility requirements:

1. Physical size



2. Power
3. Telecommunications
4. Security
5. Accessibility
6. Location – on airport – off airport

## **1.0 Program Description/Background**

Phase III, “Blended Airspace” is a unique NextGen concept that is the logical next step from those begun in Phases I, II and III of the Colorado Surveillance Project to enhance safety and optimize efficiency at selected Colorado airports.

Tasks:

### **1. Concept of Operations**

Effort this Period: The concept of operations was modified to an abridged version for inclusion in the FAA’s Request for Information (RFI). The foreshortened version will be the basis for the vendors to propose their individual solutions to be implemented at the Norther Colorado Regional Airport (FNL).

The RFI will be published by the FAA and interested vendors will respond with their individual solutions to the concept of operations. These solutions will be evaluated by the NextGen team to support selection of a vendor.

### **2. Concept of Use**

Effort this Period: No activity this period

### **3. Safety Analysis**

Effort this Period: No activity this period

### **4. Requirements Document**

Effort this Period: The requirements document was modified for inclusion in the RFI along with the concept of operation

## **2.0 Project Scope**

### **Task Narrative:**

The unsolicited proposal submitted by the Thales Corporation was rejected by the FAA Contracting Office based in large part on the proposed fee to implement the remote tower system at FNL.

The draft RFI has been completed and is undergoing review by the team and FAA management.

This phase of the program will involve selection of a vendor to design, integrate and implement/deploy the Blended Airspace remote airport traffic control system that will support airport traffic control at the Northern Colorado Regional Airport (formerly Fort Collins Loveland Municipal Airport) from a remote location. The system will utilize a combination of various existing and new sensors to provide situational awareness of the surface and airborne traffic to the air traffic controller. The two major elements remaining to be accomplished in this phase of the Project are:

1. Pre-implementation - Develop the Request for Information (RFI) for publication by the FAA. The RFI will be the vehicle to determine interested vendors based on the response from industry.

Effort this Period: Developed the draft RFI and functional requirements for publication in support of vendor selection.

2. Vendor Selection – Review and evaluate the vendor responses and technical approach to the RFI and select the most qualified vendor.

Effort this period: Until the RFI is complete and potential vendors have responded there will be no activity on this item.

### **3.0 Tasks Supporting the Scope of Work**

William E. Payne serves as the Program Manager attending all project meetings as the technical representative for the Division of Aeronautics to ensure that the project meets the requirements of the Division and Colorado airports and will monitor the project budget as necessary. William E. Payne will explore possible supplemental funding for the project within the FAA.

#### **Task Narrative:**

Meeting with the Surveillance Broadcast Services (SBS) Contracting Officer and the NextGen Business Manager revealed that the funds remaining have been reduced by approximately \$800K as a result of changes that were not accounted for by the Surveillance Broadcast Services (SBS) Program office from the Volpe Center. We are pursuing additional funds from other areas within the FAA including Facilities and Equipment.

It should be noted that the quarterly accounting provided to the Division by the FAA continues to indicate that there is \$ 5,897,946.11 remaining in the Blended Airspace account and does not reflect the reduction in funds.

### **4.0 Pre-Implementation**

#### **Task Narrative:**

**THIS TASK WILL NOT BEGIN UNTIL A VENDOR IS SELECTED.**

Tasks:

- 4.1 Evaluate the vendors' technical approach as presented in their proposal.

Effort this period: No activity this period

- 4.2 Participate in System and configuration design.

- 4.2.1 Review and approve the vendor's proposed system configuration.

Effort this period: No activity this period

- 4.2.2 Attend the Post Award Conference, First Article Testing (FAT) and Technical Interchange Meeting (TIM).

Effort this period: No activity this period

- 4.3 Finalize the following:

- 4.3.1 Concept of Operations (ConOps). The ConOps is the controlling document describing the concept of the project and methods to support the concept.

Effort this period: No activity this period

- 4.3.2 Concept of Use (ConUse) – The ConUse document describes how the ConOps is to be used by the controllers as it relates to the Controller Handbook (FAA Order 7110.65).

Effort this period: No activity this period

- 4.3.3 Requirements Documents (RD) – The RD describes a minimum set of capabilities for the system, airport, changes and adaptations to existing systems employed to support the ConOps.

Effort this period: No activity this period

- 4.3.4 Safety Risk Management Document (SRMD) – The SRMD is the controlling document that permits the system to be operated in the NAS, delineating hazards and the mitigation of those hazards.

Effort this period: No activity this period

4.3.5 Develop System and configuration test plan.

Effort this period: No activity this period

**5.0 Implementation:**

**Implementation Narrative:**

**THIS TASK WILL NOT BEGIN UNTIL A VENDOR HAS BEEN SELECTED AND THE SITE SURVEY IS COMPLETE.**

**Tasks:**

5.1 Program meetings and associated travel.

Effort this period: No activity this period

5.2 Vendor/FAA Site Survey

5.2.1 Attend vendor site survey activities and review final site survey report.

Effort this period: No activity this period

5.2.2 Review and approve infrastructure requirements and program (Fort Collins) cost implications based on the site survey report.

Effort this period: No activity this period

5.3 System Implementation and Equipment Deployment.

Effort this period: No activity this period

5.4 Certification Criteria Development.

Effort this period: No activity this period

5.5 Safety Risk Management Document (SRMD): Participate in the safety Risk Management Panel (SRMP) development of the SRMD.

5.5.1 Develop Physical Hazards Analysis (PHA).

Effort this period: No activity this period

5.5.2 Develop System/subsystem Hazard Analysis (SSHA).

Effort this period: No activity this period

5.5.3 Provide feedback to the SRMD based on PHA and SSHA compliance with requirements.

Effort this period: No activity this period

5.6 System Certification: Participate in the Certification Inspection.

Effort this period: No activity this period

5.7 Initial Operating Capability (IOC) Tasks: Attend meetings and activities leading to IOC and meetings and activities subsequent to the Operation Readiness Decision (ORD) and commissioning of the system.

Effort this period: No activity this period

5.8 Northern Colorado Regional Airport acceptance into the Federal Contract Tower Program. Meet with the FAA Federal Contract tower Program manager, FAA Policies and procedures Program Office and FAA executives to get FNL moved to a position to be accepted into the Federal Contract tower Program. If accepted, the cost of the controller workforce will be paid by the FAA.

Effort this period: No activity this period

**6.0** Project Milestones – will correlate with FAA schedules.

Effort this period: The NextGen team has proposed high level Project milestones.

**7.0** Blended Airspace Project Deliverables

7.1 Site Survey and Report – Vendor

Status: Awaiting selection of vendor.

7.2 ConOps – FAA NextGen-WEP&A

Status: Under development.

7.3 ConUse (if required) – FAA NextGen-WEP&A

Status: Under development.

7.4 Requirements Document – FAA NextGen

Status: Under development.

7.5 FAT and SAT reports – Vendor and FAA NextGen

Status: Awaiting selection of vendor.

7.6 SRMD – FAA NextGen-WEP&A

Status: Pending final system configuration identification.

7.7 IOC and ORD activities – FAA

Status: Pending contractor selection and project implementation.

7.8 Final written project report – WEP&A

Status: Pending project completion.

7.9 Monthly Progress Report to the Division of Aeronautics detailing the progress on each task and the anticipated activity moving forward.

Status: Current and ongoing.

## **Section B - Unmanned Aerial Systems (UAS)**

### **Section Narrative:**

This task has not yet begun.

## **Section C - Enhance Situational Awareness for Non-Towered Airports**

### **Section Narrative:**

This task has not yet begun.



William E. Payne & Associates, Inc.  
12150 E. Briarwood Avenue, Suite 220  
Englewood, Colorado 80112  
(303) 790-9019

August 10, 2016

From: William E. Payne, P.E.  
To: Colorado Division of Aeronautics

**Colorado Surveillance Project Contract Progress Report #01**

Re: Period: August 10, 2016 through August 31, 2016

Tasks:

**Program Implementation**

Current status: **Under Development**

Effort this Period:

Meetings were held at FAA Headquarters the week of August 22 with the project staff to discuss the path forward to select a vendor to implement the remote tower project at the Northern Colorado Regional Airport. Due stir being caused by Thales, it has been decided by the Associate Administrator for NextGen to hold a limited selection process and invite vendors with remote tower capabilities to submit qualifications.

The major difference between a full FAA procurement selection process, which would be very time consuming and extend the project timeline even further, is to employ an Other Transaction Agreement (OTA) instead the more standard contract document. This concept has been vetted by FAA Legal and Procurement. So far, it appears that the use of an OTA is justified. The use of an OTA, according to FAA, will all but eliminate the possibility of protest, which is not uncommon with standard FAA procurements.

The NextGen Program team has indicated that they would like to schedule a site visit in late September to re-familiarize themselves with the Northern Colorado Regional Airport.

Attached is the revised notional Project Timeline. This timeline is subject to change based on the vendor selection effort.

#### Leesburg, Virginia Remote Tower

The acting Deputy Associate Administrator for NextGen, members of the NextGen staff and I went to the Leesburg, Virginia, site of the Saab Sensis remote tower Demonstration Project. The purpose of the site visit was to observe the system in operation. The system has undergone several iterations resulting in operational improvements. The Leesburg Airport is similar to the Northern Colorado Regional Airport in geometry (single primary runway), as well as type and number of annual operations.

The Saab Sensis system relies solely on a single array of 14 video cameras mounted on a pole at approximately mid field. This camera configuration provides reasonable visual coverage of the airport movement area. The video display in the controller work station consists of a set of 14 high definition video displays located in a room within the terminal. The video automation platform detects non-cooperative targets based on changes in individual pixels. The automation can place a designator on the target although it may be too small to visually identify. The Saab Sensis automation does not establish a track for the target.

The primary drawback to this system is viewing objects in the airspace and determining their relative position to the airport or other aircraft in the local airspace. It is for this reason the system to be implemented at the Northern Colorado Regional Airport will rely on track based data from the existing ASR 9 radar located near Platteville.

#### **Develop Concept of Operations (ConOps), Functional Requirements Document:**

Current status: **Under Review and Development**

Effort this Period: In preparation of vendor selection, I have prepared an abbreviated Operational Concept and Functional Requirements Document and provided it to the NextGen Program Office Team (see attached). This document was prepared, as the more in-depth documents have not been finalized and the potential vendors have been requesting such a document. The NextGen team is reviewing the document and will modify it as necessary to meet the FAA procurement requirements.

The Operational Concept describes the overall concept that will employ visual cameras on the airport surface to provide the controller with a comprehensive view of the movement and non-movement areas. The Video system will be required to have detection capabilities and the ability to designate non-cooperative targets. Video tracking is a primary requirement. The Operational Concept also makes it clear that the Class D airspace will be covered with track based surveillance both primary and secondary



Anticipated Effort: The NextGen team along with FAA legal and procurement will integrate the Operational Concept and Functional requirement into the document to be provided to qualified vendors.

Program Financial Status:

Current status: Available Program Balance **\$5,045,984.37**

During a meeting with the NextGen Business Manager the week of August 22<sup>nd</sup> it was determined that the remaining available balance in the program account is \$5,045,984.37 (see the attached FAA internal accounting sheets.) This amount varies from that which has been reported to the State for over a year and a half. The last FAA Statement of Account reported the State in June 2016 was \$5,897,946.11. No explanation was given as to why the FAA internal accounting does not agree with the amount reported to the State.

It must be noted that the NextGen Program Office has indicated that it has not been billing against the account.

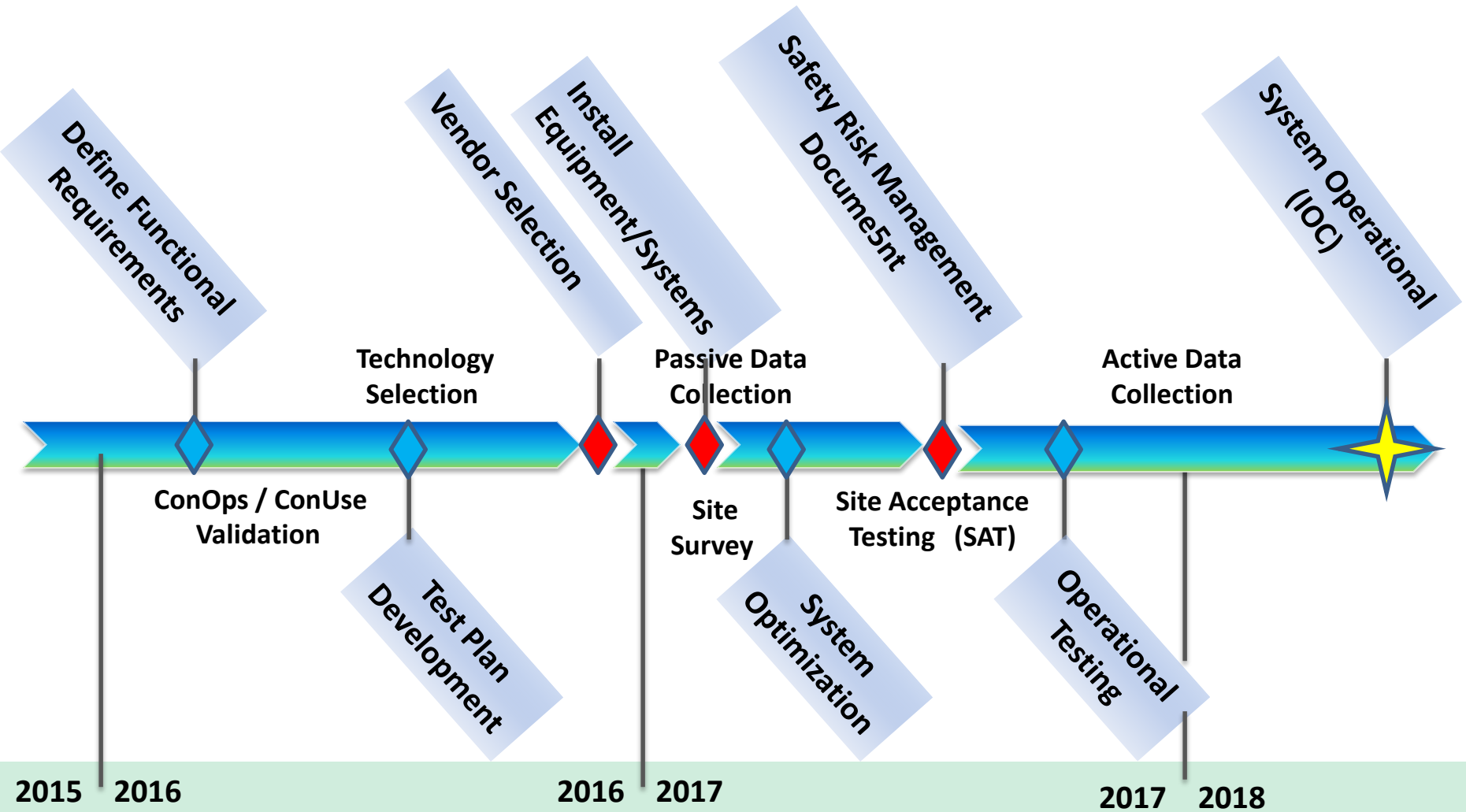
Below is a summary of the FAA spend plan.

## Summary

Colorado Remote Towers (12NNWA8016)			
		\$	8,880,000.00
Program Funding		\$8,800,000.00	
PR #	Committed	Obligated	Vendor
WA-13-08962	\$ 135,000.00	\$ 135,000.00	Mitre
WA-15-06204	\$ (3,000.00)	\$ (3,000.00)	Mitre
WA-15-01027	\$ 269,150.00	\$ 269,150.00	Mitre
WA-15-06693	\$ (269,150.00)	\$ (269,150.00)	Mitre
WA-14-02814	\$ 300,000.00	\$ 300,000.00	Mitre
WA-14-00317-VP	\$ 3,000,000.00	\$ 3,000,000.00	Volpe
WA-16-00071-VP	\$ (37,984.37)	\$ (37,984.37)	Volpe
WA-14-02700	\$ 160,000.00	\$ 160,000.00	MITLL
WA-14-04800	\$ 100,000.00	\$ 100,000.00	MITLL
WA-15-00635	\$ 100,000.00	\$ 100,000.00	MITLL
WA-16-04880	Cancelled	Cancelled	N/A
Subtotal	\$ 3,754,015.63	\$ 3,754,015.63	
Amount awaiting obligation		-	
Available Balance		\$	5,045,984.37

1.

# Project Timeline



## Operational Concept

Below is an overview of the draft operational concept and function requirements for the Colorado remote tower services (RTS) system.

The goal of the RTS Project is to develop a system that will provide Class D, VFR ATC services at non-towered airports from a remote location. This concept will employ a variety of existing and developing technologies to deliver airport traffic services as an alternative to a traditional airport traffic control tower (ATCT). The services provided by the system will be the same as those provided today from a VFR “sticks and bricks” ATCT. The remote system will deliver these VFR tower services without “direct” visual observation of the airport surface or the airspace.

The remote airport traffic services system will display to the air traffic controller visual and track based data. The surface component will consist of a system of video cameras that will display to the air traffic controller a comprehensive picture of the airport surface. Track based data consisting of position, altitude, velocity and identification for aircraft operating in the local Class D airspace will be displayed to the air traffic controller based on primary and/or secondary surveillance sensors.

The system to be deployed at the Northern Colorado Regional Airport (FNL) will consist of the following:

1. **Airport Surface Surveillance** - The airport surface surveillance will be consist of a series of video/IR cameras strategically placed to afford the controller an enhanced visual of the airport surface to include the airport movement area and at least 2 nm into the airspace along the final approach/departure corridor. The airport surface camera array shall encompass the airport movement area and shall provide the ability to detect non-cooperative targets. The video system shall provide a 360° view of the local airspace to support and augment airborne target location and verification. The video system shall detect and designate non-cooperative targets within the airport movement area. The video system shall have the ability to associate radar or manually created tag information of a specific visual target and display that data and target location on the visual display. The video system shall include the ability to provide enhance video display of a selected area within the designated situational awareness area of the airport by means of a controller taskable pan-tilt-zoom (PTZ) cameras. The combined camera and automation systems shall be capable of being certified to provide “runway separation”.
2. **Local Airspace Surveillance** - Existing or available track based (radar) shall be utilized to provide situational awareness to the controller of activities in the Class D Airspace. An ASR 9 located approximately 14 nm from FNL will provide primary and secondary radar target information. The existing automation platform is STARS. The vendor shall have the capability to accept track based and flight plan data from the STARS system via the ASTERIX format. The vendor deployed track based automation and display shall provide the controller aircraft target and tag data, as well as, support providing situational awareness in the local airspace. The VFR controller will not provide radar

services to the aircraft unless it is under limited special agreement with the overlying radar facility or the controller is radar certified.

3. **Supporting Remote Airport Traffic Services Equipment** - In addition to the surface and airspace surveillance the FAA will provide the remote airport traffic service facility all of the equipment capabilities included in the ATCT minimum equipment list (MEL).
4. **FAA Equipment:** The remote airport traffic system shall have, in addition to the ATCT minimum equipment list (MEL): a flight data input/output (FDIO), direct communication with the overlying radar facility, FTI data line to support the ingestion of STARS automation data from the overlying radar facility, and a certified tower radar display (CTRD) or a radar display capable of being certified to provide situational awareness to the controller and aircraft.

Figure 1: Notional Airspace Configuration

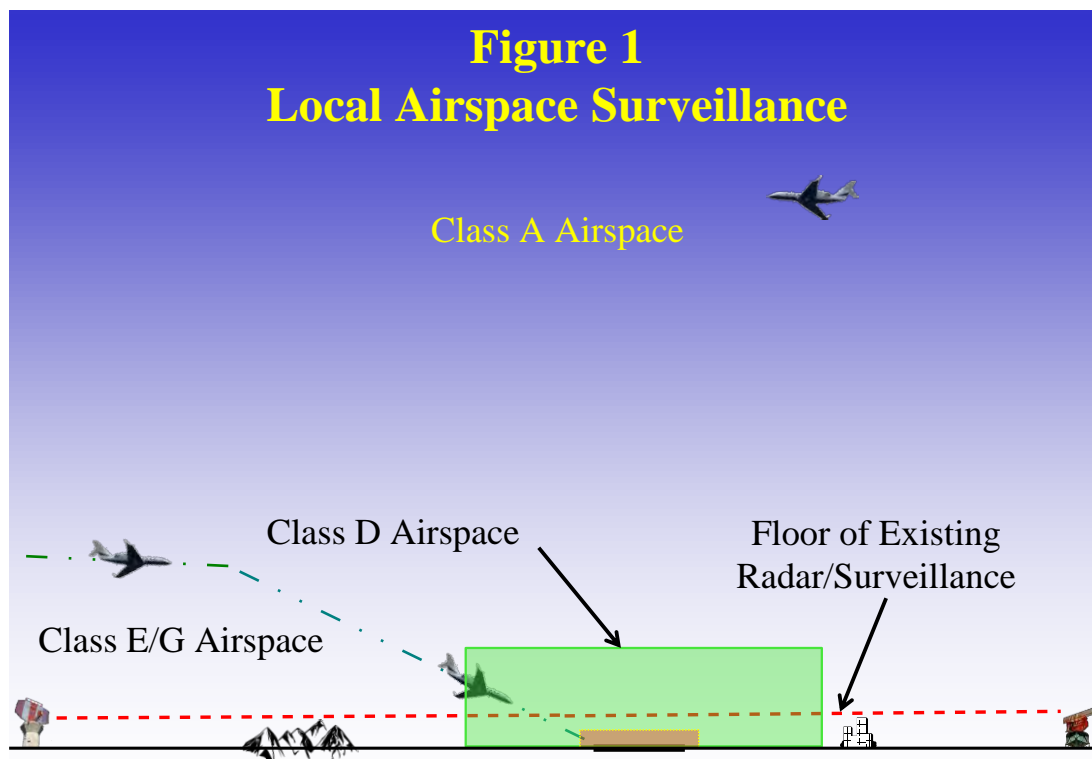
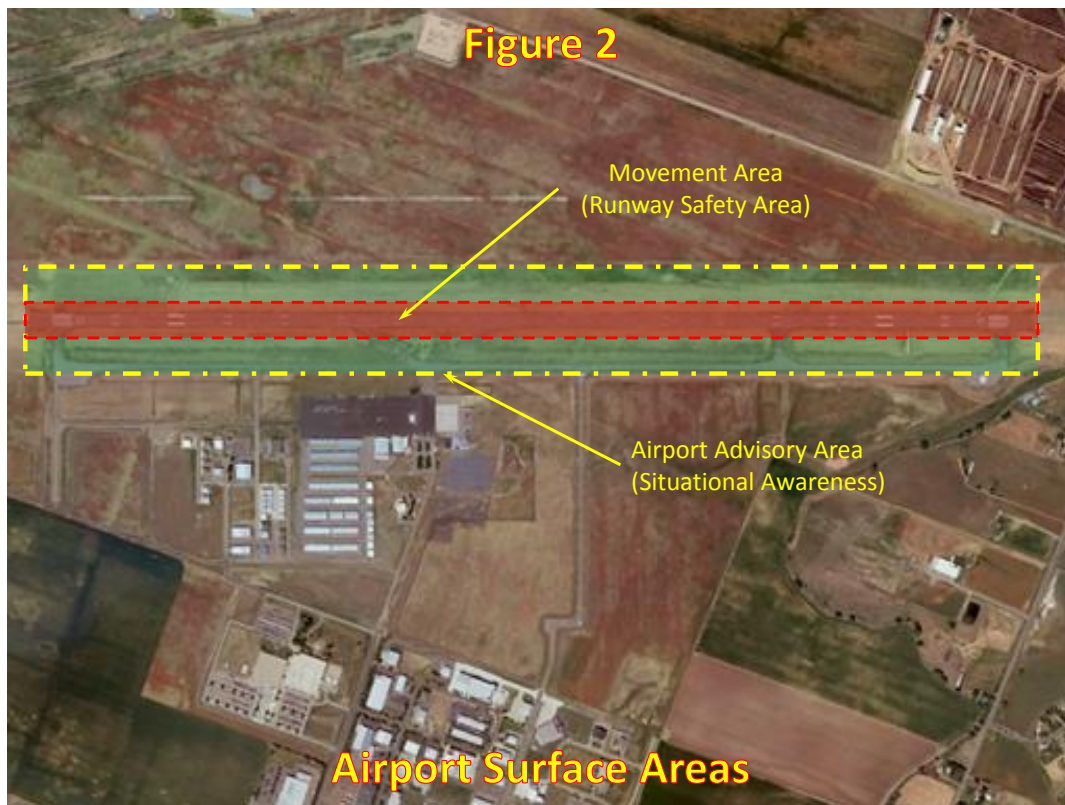
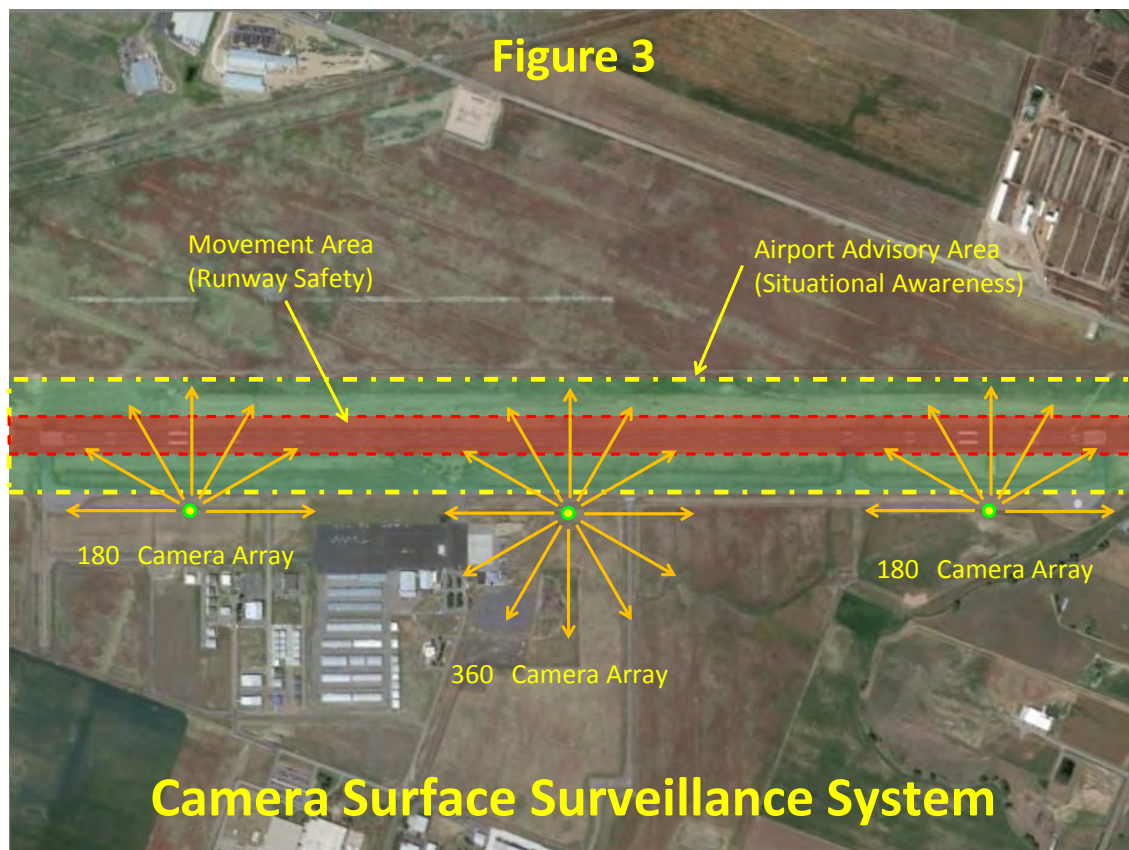


Figure 1: Airport Surface Areas



- Airport Movement Area: Aircraft and vehicles are required to establish and maintain two way radio communications with the ground/local controller and shall obtain a clearance to enter the movement area.
- Airport Non-Movement Area: Aircraft are required to establish and maintain two way radio communications with the ground/local controller. The airport non-movement area and airport movement configurations shall be adaptable based on airport operational needs.

Figure 3 - Notional Camera Configuration



## Remote Tower Service System Functional Requirements:

### Surface Surveillance:

#### Video Camera System:

- The video camera system shall provide uninterrupted video surveillance of the designated airport non-movement area;
- The video camera system shall provide uninterrupted video surveillance of the airport movement area and airport alert area;
- The camera system shall provide a view of the approach/departure corridor for each runway for a minimum distance of 2 nm;
- The camera array system shall provide a 360° view of the local airspace as an augmentation to the track based display;



- The camera system shall have the ability to alert the controller of a latency between the camera and the display greater than .5 seconds;
- The camera system shall have the ability to alert the controller should the displayed image freeze for a period greater than 1 seconds;
- The camera system shall provide surveillance day or night;
- The camera system shall provide surveillance in low visibility weather condition;
- The camera system shall have a frame rate of not less than 25 frames per second
- There shall be a method to remotely clean/remove foreign object debris from the camera lens;
- The camera system shall be capable of detecting, tracking and designating via adaptable symbology non-cooperative targets on the airport surface;
- The tracking function shall be capable of detecting and tracking a non-cooperative target with a visual cross section of 0.5 M<sup>2</sup> within the airport movement area;
- The camera tracking system shall have a 95% probability of detection;
- The video camera system shall include a separate PTZ camera for each controller. The PTZ(s) are to be separate from the camera arrays. Controllers shall be able to independently operate their assigned PTZ and have the capability to zoom in on selected area on the airports;.
- The PTZ camera shall support numerous adaptable preset positions;

### **Airspace Surveillance:**

Track Based System: The sensor for the track based display is the existing ASR 9 radar located approximately 18 nm SE of the Northern Colorado Regional Airport. The ASR 9 STARS automation platform is located at the Denver TRACON approximately 43 nm SSE of the airport.

- The track based surveillance system shall provide seamless coverage of the local airspace out to a distance of 25 nm from the airport reference point;
- The local track based automation platform shall accept and display processed data from the STARS platform at Denver TRACON (DO1).
- The track based surveillance system shall have an update rate not more 5 seconds;
- The system shall have a system latency of not more than 1.5 seconds from detection to display;
- The track base surveillance system shall be certified to provide situational awareness to the controller in the RTS facility;
- The track based surveillance system shall, at a minimum, be capable of detecting cooperative targets in the local Class D airspace and displaying position, altitude, velocity and identification to the RTS controller.





**Aeronautical Board Workshop Agenda  
October 19, 2016 - 1:30 p.m.  
Joseph H. Thibodeau Room**

- 1230-1330      Regular CAB Meeting  
(1 hour)
- 1330-1340      Introduction of workshop, agenda review, desired outcomes  
(10 min)
- 1340-1430      Detailed Review of Paragon External Performance Audit and Status of  
(50 min)      Recommendations (*Attachment- Audit Report/Action Plan*) *Dave Ulane*
- 1430-1530      Operational Item Discussions  
(1 hour)
- Review of current CAB Meeting Agenda Format (*Attachment- this meeting's agenda as example*) *Dave Ulane*
  - 2017 Regular meeting dates/locations (*Attachment- draft 2017 annual calendar*) *Kaitlyn Westendorf*
  - New Comprehensive Division/CAB Annual Calendar (*Attachment- draft 2016/2017 Division/CAB calendar*) *Dave Ulane/Bryce Shuck*
  - CDOT/CAB/Division MOU Update/November 1, 2016 Review (*No attachment*) *Dave Ulane*
- 1530-1545      Break  
(15 min)
- 1545-1700      Policy Item Discussions  
(1:15 min)
- Division Grant Funding Scenarios (*Attachment-Informational Memo and scenarios*) *Bryce Shuck*
  - State Grant Assurances (*Attachment-Informational Memo*) *Scott Storie*
  - Airport Data Profile Submittal Requirement (*Attachment-Informational Memo*) *Todd Green*
  - State Systems Plan Update- 2018 (*No attachment*) *Dave Ulane*
  - Economic Impact Study Update- 2018 (*No attachment*)
  - Other/Wrap-Up



5126 Front Range Parkway  
Watkins, CO 80137

## MEMORANDUM

TO: Colorado Aeronautical Board  
FROM: David Ulane, Director  
DATE: **October 19**, 2016  
SUBJECT: Paragon Audit Detailed Progress Report

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At our September 2015 CAB/staff workshop and subsequent CAB meeting, we received and thoroughly reviewed the findings and recommendations of the Paragon external audit report. At that time, staff outlined for each of the 23 recommendations our action plan and schedule for completion.

With it now a year since that audit report was accepted by the Board, staff would like to provide a detailed review of the action we took for each recommendation, the documentation utilized to demonstrate completion, and the date the recommendation was completed.

Attached is an updated version of the full audit action plan we reviewed last year, with that information included. As of today, only two of the original 23 recommendations still open: recommendation 10 addressing grant drawdown estimates, and recommendation 11 addressing WIMS/SAP approvals. Both of these efforts are still in progress, and expected to be complete by the December 31, 2016 due date.

At the workshop, staff intends to run through the attached Audit Action Plan and each of the recommendations and briefly review our completed actions, and answer any questions the CAB or public might have.



Audit Action Plan Report 9-14-16.docx

Finding No.	Page No.	Finding and Recommendation Summary	Finding Category	Agency Addressed	Agency Response	Action Plan	Action Item Owner	Implementation Due Date/ Documentation	Status
1	13	<b>No Formal Ethics Training</b> - Specific policies and procedures should be documented for employees on how to conduct themselves, including specific examples. There should also be annual training of the ethics policies and procedures for all of the employees.	Training	Aeronautics CDOT HQ	<b>Partially Agree.</b> It is important to note that Aeronautics is a Division of CDOT, which apparently does not have a formal ethics Procedural Directive, required ethics training, or documentation processes for its employees. To that end, implementation of this recommendation will require action on CDOT's part. Staff will research and document options of programs available internally and externally to CDOT.	As a very small Division of a much larger statewide Department, it is not feasible nor appropriate for the Division of Aeronautics to develop or implement its own ethics policies, procedures or training. At such time as CDOT may evaluate or implement a Department-wide ethics program, the Division will participate and comply.  In an effort to address this recommendation in the context of this limitation, however, the Division Director has directed by email that staff review the current CDOT Values PD, #0002-0.	Ulane/Storie	1/31/16  <u>Documentation</u>  -Current CDOT Values Procedure Directive (PD) 0002-0  -Memo to file documenting existing ethics programs within CDOT  -12-9-15 Email to staff directing them to review PD 0002-0  -Various CDOT training information and emails	Completed 12/9/15

Audit Action Plan Report 9-14-16.docx

Finding No.	Page No.	Finding and Recommendation Summary	Finding Category	Agency Addressed	Agency Response	Action Plan	Action Item Owner	Implementation Due Date/ Documentation	Status
2	14	<b>No standardized Colorado Aeronautical Board (CAB) package with accurate key understandable metrics</b> -The CAB and Aeronautics management should identify the specific requirements, expectations and format for key understandable metrics to be included in the standardized CAB package.	Financial	Aeronautics CAB	<b>Agree.</b> Aero staff and the CAB are having a workshop at the September 2015 CAB meeting to discuss the CAB's expectation on reporting and metrics. Based on the input from that workshop, the staff will work to prepare and disseminate appropriate regular reports to the CAB.	<p>-At the September 9, 2015 CAB workshop, the Board was presented with and discussed a draft concept for financial metric reporting that will be part of each CAB Board meeting packet going forward.</p> <p>-Staff took this feedback, and at the October 14, 2015 meeting, presented actual financial "dashboard" reports to the CAB, reflecting actual current financial information</p> <p>-This report is now a standing agenda item and format for each CAB meeting</p>	Ulane/ Krochalis	<p>10/31/15</p> <p><u>Documentation</u></p> <p>-September 9, 2015 CAB workshop packet, and agenda, showing discussion of financial dashboard reports</p> <p>-October 15, 2015 CAB packet, which includes the standing financial update agenda item, and the standardized new dashboard report with actual financial data</p> <p>-October 15, 2015 minutes reflecting the discussion and implementation of these "standardized packets"</p>	Completed 10/15/15

Audit Action Plan Report 9-14-16.docx

Finding No.	Page No.	Finding and Recommendation Summary	Finding Category	Agency Addressed	Agency Response	Action Plan	Action Item Owner	Implementation Due Date/ Documentation	Status
3	15	<b>No set calendar for CAB meetings</b> - The CAB and management should establish a set calendar for the CAB meetings for the upcoming year, including timing of the distribution of the CAB package prior to the meetings.	Admin	Aeronautics CAB	<b>Agree.</b> It is important to note, however, that the need to accommodate special events, board meetings that may move around the state, lack of a board quorum on a scheduled date and/or other factors may necessitate occasional changes to scheduled dates.	<p>-At the September 9, 2015 CAB workshop, the Board was presented with and discussed a draft annual calendar concept, including selecting at least two locations for CAB meetings around the state, one of which will be co-located with the annual Colorado Airport Operators Association's (CAOA) spring conference.</p> <p>-Staff took this feedback, and at the October 14, 2015 meeting, presented the CAB with a set 2016 CAB meeting calendar, which includes two CAB meetings outside the Denver metro area.</p> <p>-The CAB formally adopted 2016 calendar at the October 14th meeting, and will set each subsequent year's meeting calendar in or around October of each year.</p>	Ulane/ Westendorf	<p>10/31/15</p> <p><u>Documentation</u></p> <p>-September 9, 2015 CAB workshop packet, and agenda, showing discussion of CAB calendar.</p> <p>-October 14, 2015 CAB meeting packet, which includes the 2016 CAB calendar for discussion.</p> <p>-October 14, 2015 minutes reflecting the discussion and formal adoption of the 2016 CAB meeting calendar</p>	<b>Completed</b> 10/15/15

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Finding No.	Page No.	Finding and Recommendation Summary	Finding Category	Agency Addressed	Agency Response	Action Plan	Action Item Owner	Implementation Due Date/ Documentation	Status
4	16	<b>Some reporting lines were structured improperly</b> - The reporting structure needs to be corrected so managers have proper knowledge and background for managing their direct reports. Also, create a clear documented organization chart of the reporting structure with the proper checks and balances.	Financial	Aeronautics	<b>Agree.</b> Presently, under the MOU between Aero and CDOT, this position reports to the DAF Appointing Authority (CFO). The Replacement Business Manager position, when hired, will report directly to the Aeronautics Director. Will also evaluate a new Accountant/Tax Accountant position to assist the Business Manager, provide another check and balance, and assist with other Division administrative duties	<p>-Prior to the Memorandum of Understanding (MOU) between CDOT and the Division of Aeronautics, the Division's previous Business Manager reported to the Grants Program Manager, rather than the Aeronautics Director, as would be more typical and appropriate.</p> <p>-With the execution of the MOU on April 5, 2015, the Business Manager position was realigned to report to both the CDOT CFO for the term of the MOU, and the Aeronautics Director.</p> <p>-This new structure provides for significantly improved financial reporting, and more robust financial oversight by CDOT and the Division Director</p>		<p>Upon hiring of permanent Business Manager, Estimated NLT 12/31/15</p> <p><u>Documentation</u></p> <p>-Copy of the CDOT/Aeronautics MOU</p> <p>-Revised Division organizational chart</p> <p>-Revised Aeronautics Business Manager Position Description Questionnaire (PDQ), reflecting the revised organizational chart</p>	<b>Completed 12/9/15</b>

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5	17	<b>No competitive ranking between eligible grant requests</b> - Consider the various options for competitively ranking and scoring eligible grant requests to determine which model best meets the State's needs. See example at Appendix C.	Grants	Aeronautics	<b>Agree to Consider.</b> While a Priority Rating Model as suggested here can be one of several tools for helping determine grant priorities, many other factors not easily reflected in a simple ranking affect the relative priorities of airport projects. Such factors include but are not limited to the goals and objectives outlined in the state's FAA-required state system plan, modified or new congressional mandates to FAA on airport funding priorities for the AIP program, state directives on multi-modal development priorities or considerations, and needs of individual airports. Staff will evaluate the potential value and use of a priority rating/ranking in conjunction with the other factors listed above.	<p>-Aviation fund is operating in a negative cash position, and is currently forecast to do so until late 2018</p> <p>-In that position, the CAB and Division are issuing CDAG grants only for FAA-funded projects to leverage the most federal money for the state.</p> <p>-Under this approach, all FAA-funded projects are of the same priority, and will continue as such until fund recovery</p> <p>-This negates the need at present for a grant priority rating model</p> <p>-The need for and value of such a model will be part of the discussion when the State Aviation System Plan is next updated, expected in 2018.</p>	T.K. Gwin/ Planning Staff	<p>1/31/16</p> <p><u>Documentation</u></p> <p>-Memo to file explaining and documenting the action plan</p> <p>-Financial dashboard showing forecast recovery date</p> <p>-2016 CDAG grants issued January 25, 2016, showing all CDAG funds to FAA projects</p>	<b>Completed 1/28/16</b>

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6	18	<b>No Contingency Plan for the Federal Aviation Administration (FAA) Project Contractor and Expert</b> - Aeronautics should establish a contingency plan for the contractor and expert on the FAA project.	Admin	Aeronautics	<b>Agree.</b> Under the previous Aeronautics Director's administration, the WAM Contractor was apparently rarely accompanied by the Director at FAA meetings and the Director was not familiar with key FAA and other project stakeholders. The newly retained Aeronautics Director will be significantly increasing engagement with the contractor on the WAM project. This will include attending more meetings and other functions with the contractor, and building direct relationships with key stakeholders Contractor is working with. This may require additional travel budget to implement. Additionally, enhancements will be made to Contractor's project reporting to improve CDOT and Division knowledge of Contractor's status, efforts and progress.	-The Division's FAA contractor possesses a unique skill set, history and knowledge with Division initiatives, and an FAA relationship base that would be difficult to immediately replicate with another contractor.  -Under the new Division Director, who started July 1, steps have been taken (as documented at right to mitigate issues associated with a potential unforeseen circumstance with the contractor.	Ulane	9/30/15  <u>Documentation</u>  -November 4, 2105 memo from the Director to staff and the CAB noting the processes and procedures in place to improve the Division's engagement with and awareness of the Contractor's work.  -Examples of expanded Contractor monthly reports, better detailing the Contractor's work and plans.	Completed 11/4/15



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7	21	<b>Aeronautics does not have a contingency reserve cost center within the Aeronautics fund.</b> - Aeronautics should establish a contingency reserve cost center within the Aeronautics fund to assist with unforeseen financial problems. It is important to determine the correct portion of their entire fund to set aside to deal with unforeseen problems, but avoid setting aside an unnecessary amount of funds that could be used to fund critical grants. The scope and criteria for use of the contingency reserve should be specified.	Financial	Aeronautics CAB	<b>Agree.</b> In conjunction with implementation of revised cash management processes, staff believes that a reasonable contingency fund help mitigate unforeseen circumstance, such as additional available FAA funds/end of year money, emergency projects or sudden/ unforeseen revenue declines. Establishment of such a contingency fund, however, is not feasible until the Aeronautics Fund recovers, and stabilizes. This will also require legal research and legality of a fund per Statute.	-As of December 9, 2015, the Aeronautics Division is operating in a negative fund balance situation, as permitted by an \$11 million, five year loan from the State Controller's office.  -The Division's cash/financial position is not presently forecast to be positive until at least early 2020, so it is not possible to establish a contingency fund at this time.  -As the Division nears a positive cash position, Division staff, the Colorado Aeronautics Board and CDOT will discuss an appropriate contingency policy for the Division	Ulane	Unknown at this time, too many variables to establish a commitment date. The goal would be to have the legal research completed by 12/31/15. Implementation is also dependent on full recovery of the Aeronautics fund, which is also TBD.  <u>Documentation</u>  -Chart showing anticipated fund recovery date of early 2020  -Memo to CAB and CDOT CFO regarding current Division financial circumstances  -Copy of the Aeronautics/Controller's office loan approval	Addressed for the Interim 12/9/15

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8	23	<b>Funding is focused on airports and their specific needs and doesn't include State-wide initiatives for tier 2 funding</b> - Aeronautics staff should consider including State-wide initiatives in the tier 2 funding recommendations which are provided to the CAB. The CAB should consider reviewing the airport specific tier 2 funding grant proposals along with the State-wide initiatives during the grant approval process.	Grants	Aeronautics CAB	<b>Agree.</b> While the Aviation Fund recovers and stabilizes over the next several years, staff will work to develop Tier 2 grant award priorities and criteria and present to the CAB for adoption. Under current financial projections, Tier 2 funding is not expected to be available any time prior to full recovery of the Aeronautics Fund.	-Tier 2 (additional grant funding above the normal \$250K per airport level) is not currently available, nor expected to be in the near future, due to the current financial situation of the Division.  -To that end, there is no need to consider Tier 2 funding priorities until such time as the Aviation Fund recovers to a positive balance.  -Nearer the time the fund is expected to recover, discussions will ensue with the CAB and other stakeholders about the status of any Tier 2 funding plan or priorities.	Ulane/ Planners	Unknown, dependent on full recovery of the Aeronautics Fund. Deletion of references to the Tier 2 program in the Policies and Procedures manual will be made by October 31, 2015  <u>Documentation</u>  -October 15, 2105 memo from the Director to staff and the CAB noting that until the Aviation Fund recovers, Tier 2 funding is not available.	Addressed for the Interim 10/19/15

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Finding No.	Page No.	Finding and Recommendation Summary	Finding Category	Agency Addressed	Agency Response	Action Plan	Action Item Owner	Implementation Due Date/ Documentation	Status
9	24	<b>No Web-Based Information Management System (WIMS) Training Manual</b> - A training manual should be documented and available for employees, airport representatives and administrators on how to use the WIMS system within the division. All of the WIMS training manuals should be updated and maintained over time.	Training	Aeronautics	<b>Agree.</b> Staff will evaluate the most efficient and effective method to create the Admin Guide and Airport User's Manual with the WIMS software providers (Vertiba, Conga, Sales Force, SAP/OIT/SIPA staff). There is likely to be a cost impact for creating and maintaining the technical manuals and reproducing them.	<p>-In cooperation with an outside vendor, the Division has prepared two comprehensive written WIMS training manuals, one for airports and WIMS system users, and one for internal Division staff.</p> <p>-Division staff has been provided with editable versions of both manuals, and going forward, it will be the joint responsibilities of the Division planning staff to revise and update these manuals as necessary.</p> <p>-On June 30, 2016, the WIMS User's Manual was posted to the Division's website at this link, and a Division email was sent to all airport users advising them of the link to this new resource. On the same date, the training manual was disseminated to staff and posted on the Division's shared drive so that all staff will have access to it.</p>	Ulane/Gwin	<p>Assuming budget funding is available, the Admin Guide and Airport User's Manual by 06/30/16.</p> <p><u>Documentation</u></p> <p>-New WIMS User's Manual, version 1.0</p> <p>-New WIMS Planner Manual, version 1.0</p> <p>-Copy of email message dated 6/30/16 to airports advising them of the new User's Manual link on the Division's website</p>	<b>Complete 6/30/16</b>

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Finding No.	Page No.	Finding and Recommendation Summary	Finding Category	Agency Addressed	Agency Response	Action Plan	Action Item Owner	Implementation Due Date/ Documentation	Status
10	25	<b>Airports are not required to provide project schedules and timing of related grant disbursement requests</b> - Request each airport to provide a monthly schedule of estimated project draw down when the grant application is submitted. Require each grant recipient to give an update of the draw down schedule at the start of the project. Grant reporting requirements should be added to the grant application.	Grants	Aeronautics	<b>Partially agree.</b> The Division can request this information from airports, both at grant application and at project start. It is important to note, however, that for many construction projects, particularly if large and complicated, it may be difficult to accurately forecast periodic grant drawdowns during the course of a project. This difficulty could result in inaccurate information that requires significant administrative burden to collect and track, without a commensurate improvement in cash forecasting accuracy. Over the next two years, the Division's grant program is most likely able to fund only FAA-AIP projects. This will provide an opportunity for staff to request this information from certain "test" airports with a variety of project types, evaluate the correlation of forecast grant drawdowns with actuals, and then determine this recommendation's value to the Division's cash management efforts going forward.	During the 2016 calendar year construction season, Division planning staff will select five airports projects across the state (of varying project types and complexity), and request airports provide an anticipated monthly grant drawdown schedule for the duration of the project. Staff will then compare those estimates with actual grant drawdowns and evaluate whether the forecasts were sufficiently accurate as to be of value to cash forecasting processes going forward.	Ulane/Storie	Due to airport construction cycles, results for the test and correlation would not be available until ~12/31/16.  <u>Documentation</u>  Written internal memo/report of test results.	In progress

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11	26	<b>Planners have the ability to approve disbursements in WIMS without management approval</b> - Implement a system edit in WIMS preventing a user from creating and approving their own transactions.	Financial	Aeronautics	<b>Agree.</b> Staff will implement appropriate controls to prevent a user from creating and approving their own transactions. Staff already researched the ability to change this programming in-house....it was determined that development (and financial) resources will be needed to complete this action.	Staff will develop, and the Division Director will approve, a framework defining appropriate disbursement approval steps and controls within WIMS. Based on that framework, staff will work with the WIMS developer to implement the revised approval framework. Staff will also work to adjust the operating budget as necessary for the external assistance needed to implement these revisions.	Ulane/Green	12/31/16  <u>Documentation</u>  Written budget amendment allocating external development funds to implement this requirement. Written/Director-approved approval framework. Printed WIMS documentation, and a technical specification summary from the developers will be requested.	In progress

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12	27	<b>No training manuals for the employee roles at Aeronautics</b> - Specific training, including policies and procedures should be documented and available for Aeronautics employees. There should also be a training program for employees to fully understand their own, and other roles within the division.	Training	Aeronautics	<b>Agree.</b> The Division will create an enhanced group functional matrix of duties/positions showing who is primary and backup (to support cross training and succession planning), which information will be incorporated into a revised Division Policies and Procedures Manual.	<p>-It is not feasible to create a “training manual” for each position within the Division.</p> <p>-The functional matrix for the Division is now complete, using the RACI Matrix Model, which by position, identifies the roles and responsibilities of Division staff. Specifically, the model identifies for each major program or Division responsibility, the position(s) that are Responsible, Accountable, Consulted and/or Informed.</p> <p>Additionally, to further clarify Division staff roles and responsibilities, all staff Position Description Questionnaires (PDQ's) were updated in late 2015 to reflect current job duties and working titles.</p>	Ulane/Staff	<p>6/30/16</p> <p><u>Documentation</u></p> <p>-Aeronautics Division RACI Matrix- included in the SharePoint folders.</p> <p>-Updated 2015 Aeronautics PDQ's, included in the SharePoint folder.</p> <p>-Link to the Division's new Programs and Procedures Manual, adopted by the CAB in March, 2016.</p> <p>-Current Aeronautics Division Organizational Chart, updated March 2016</p>	<b>Complete 6/29/16</b>

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13	28	<b>Purchase Requisitions do not require Business Office approval</b> Aeronautics should follow the CDOT Standard Procedure requiring Business Office approval of Shopping Cart/Purchase Requisitions.	Financial	Aeronautics CDOT HQ	<b>Agree.</b> Acting Business Manager has corrected the purchasing release strategies in SAP to include funding/cost center approvals.	The Acting Business Manager has corrected the purchasing release strategies in SAP to include funding/cost center approvals, and is working to adjust the other SAP roles in accordance with recommendation 20.	Ulane/ Krochalis	10/31/15 <u>Documentation</u> Confirmation emails from the SAP Materials Management (MM) module business process expert who implemented the purchasing configuration change in SAP.	<b>Complete</b> <b>9/25/15</b>

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14	29	<b>No standard procedures to forecast and track actual cash receipts and expenditures</b> - Aeronautics should create and follow a standard procedure for forecasting and tracking cash receipts, expenditures and related fund balances.	Financial	Aeronautics	<b>Agree.</b> In conjunction with DAF, Aeronautics is working to establish, test and implement an integrated cash management, revenue forecasting (designed by the Dye Management consultant), and airport capital improvement program to help ensure committed grant funds are consistent with available financial resources.	New financial reporting and forecasting tools have been implemented to help the division understand and proactively manage its finances. These new tools include; 1. The Aeronautics division has implemented a Cash Management/Revenue Forecasting model called the "Fund 160 Report"; this report forecasts out the entire Division's revenues and expenses, and provides an interactive outlook for the division. 2. A "GL Detail report" available in CARs has been created that comes from SAP and provides up to date data on what is budgeted, and what has been spent against that budget to date cost center by cost center. 3. New CAB dashboard reports which provide data and graphs that are relevant to the (CAB).	Ulane/ Krochalis/ Wheeler/ Planners	6/30/16  <u>Documentation</u>  -Fund 160 Actuals Screen and 160 Forecast Screen are provided, showing the model being used.  -CAB Packet shown to outline the different metrics being used and updated  -Monthly GL Detail Shown, the SAP generated report used to confirm actual data.	<b>Complete 1/31/16</b>



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15	30	<b>A Memorandum of Understanding (MOU) has been drafted to share the WIMS System Code with the State of Idaho without CAB discussion and approval</b> - Any request regarding Aeronautics intellectual property and its distribution should be discussed with the CAB before taking any further action.	Admin	Aeronautics	<b>Agree.</b> This initiative was undertaken by Division staff under the administration of the previous Interim Division Director. Going forward, any such initiatives (including this one) will be properly vetted with the CAB prior to initiation, action, or negotiation.	The Division Director disseminated a memo to staff directing any discussions about the sharing of Division programs, projects and initiatives to be first directed to the Director, for potential further consideration by the CAB and other parties as necessary.  Additionally, at the August 2016 CAB meeting, the CAB formally approved the sharing of WIMS with other states.	Ulane	9/30/15  <u>Documentation</u>  Written internal memo to staff.	<b>Complete 9/30/15</b>

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16	31	<p><b>The FAA reimbursable agreement for Wide Area Multilateration (WAM) Blended Airspace reporting and status has not been fully communicated to Aeronautics and the CAB</b> - Aeronautics should continue their analysis of the FAA expenditures and the status of the project. A more formalized process should be put into place for any large projects that fall outside the normal grant reimbursement process. Any information received by the FAA or status reports from the contractor should be communicated to Aeronautics employees and the CAB. Aeronautics should set up regularly scheduled meetings with the FAA to review the project and how funds are spent.</p>	Admin	Aeronautics	<p><b>Partially agree.</b> The FAA historically provides minimal detailed financial information about their Reimbursable Agreements (RA), and influencing them to alter their long-standing national practices on RA reporting is outside of our abilities. However, we will continue to request better documentation and report on work efforts conducted with FAA under RA's, and share those reports with staff, the CAB, and stakeholders.</p>	<p>-Beginning with the CAB's August 2015 meeting, the WAM contractor has reformatted their monthly reports to provide additional financial and project progress information.</p> <p>-CAB meeting agendas now have a standing WAM Update item, during which the WAM contractor briefs the Board, staff and public on the WAM status, and answers any questions</p> <p>-The FAA's quarterly reimbursable agreement statement of account is now being included in the CAB packet (with the WAM contractor report) when received.</p> <p>-The most recent quarterly FAA RA statement through September 13, 2015 was included in the October 14, 2015 CAB packet.</p>	Ulane	<p>12/31/15</p> <p><u>Documentation</u></p> <p>-Links to the CAB webpage, where all CAB meeting packets can be found with the above documentation, beginning August 2015.</p> <p>-October 14, 2015 CAB meeting packet with copy of latest FAA RA report included</p> <p>-October 14, 2015 CAB meeting minutes reflecting the discussion of the WAM contractor report, and including the latest FAA RA statement of account</p>	Complete 10/15/15

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17	32	<b>Inadequate and untimely information provided to stakeholders regarding financial constraints</b> - Communication in the future should provide all relevant information, for example, stating that under the current conditions Aeronautics will not be able to meet the current funding obligations, but Aeronautics is looking at other methods to obtain temporary financing to continue its operations and meet current obligations. The communication should contain an expected timeline with regards to solutions. In accordance with the MOU between CDOT and Aeronautics, Aeronautics should work with CDOT on ensuring consistency of the message and the overall communication approach.	Admin	Aeronautics CAB	<b>Agree.</b> Under the leadership of the new Division Director, Aeronautics staff are communicating regularly with key stakeholders (including but not limited to the CDOT Office of Communications, CAB and CDOT Executive Directors office) in a timely, accurate and forthright manner.	<p>Staff have taken several steps to improve the communication with and information provided to stakeholders regarding the Division's financial constraints and situation:</p> <ul style="list-style-type: none"> <li>-The Division Director has been meeting personally and regularly with the Executive Committee of the Colorado Airport Operators Association to review the Division's current financial situation and other issues.</li> <li>-Beginning with the July, 2015 meeting, a regular agenda item for "Financial Update" was added.</li> <li>-At the September 2015 CAB meeting, live web streaming began of each CAB meeting</li> <li>-At the October 2015 meeting, the CAB was shown a fully implemented dashboard report, which will become a standing item on each CAB meeting agenda going forward.</li> </ul>	Ulane	<p>10/15/15</p> <p><u>Documentation</u></p> <ul style="list-style-type: none"> <li>-July 8 CAB meeting minutes showing regular financial update</li> <li>-Link to the CAB webpage, where all CAB meeting packets can be found with the above documentation, beginning August 2015.</li> <li>-October 14, 2015 minutes reflecting the discussion of the WAM contractor report, and including the latest FAA RA statement of account</li> </ul>	<b>Complete</b> 10/14/15

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18	33	<b>CAB meetings are only held at one location</b> - The CAB meetings should be moved, at least twice per year, to other locations within the State. The proposed locations should be determined in an effort to support attendance of airports by the various regions of the State. By holding CAB meetings in other sections of the State, the CAB can elicit feedback of particular regional issues and needs. Consider setting up a voice/video bridge to allow participants from all over the State to call in and observe the CAB meeting.	Admin	Aeronautics CAB	<b>Agree.</b> While it is important for the Division and CAB to fully engage all of our stakeholders across the state, holding meetings in various locations is logistically and financially challenging, given that the majority of the CAB members and all of the staff are based in the Denver Metro area. Going forward, however, staff will consider alternate meeting locations, most likely in conjunction with a related meeting or event where economies of scale can be realized by traveling once for two or more functions. Live streaming/interactive web conferencing technology, however, is likely to provide a more cost effective and efficient solution. Such streaming could allow stakeholders statewide to observe CAB meeting, and web conferencing options could allow those stakeholders to participate remotely. Staff will evaluate and recommend streaming/conferencing options to make CAB meetings more accessible.	-At the October 14, 2015 CAB meeting, the Board officially adopted its 2016 meeting calendar that includes two meetings not at the Division offices- one in Durango and one in Lamar.  -CAB discussion around the 2016 calendar indicated the intent of staff and Division to set each year's CAB meeting calendar around the preceding October  -Additionally, CAB meetings are now streamed live as an efficient and cost-effective means for audiences around the state to watch CAB proceedings with the need for travel.	Ulane	6/30/16  <u>Documentation</u>  -October 14, 2015 CAB meeting packet, which includes the 2016 CAB calendar for discussion.  -October 14, 2015 minutes reflecting the discussion and formal adoption of the 2016 CAB meeting calendar, including annual calendar adoption and meeting locations.	Complete 10/15/15

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19	35	<b>Management has not remediated all relevant findings from the 2009 State audit -</b> Ensure all previous relevant recommendations are implemented. Create a tracking process to ensure all current and previous relevant recommendations are implemented timely and properly.	Financial	Aeronautics	<b>Agree.</b> This audit was performed over 6 years ago under 2 past Aero administrations, and under very different circumstances. The Division has implemented most recommendations, and will re-evaluate what is remaining to see if with this audit they are still relevant.	-Division staff has gone through the 2009 Internal Division audit, and has determined that all relevant findings were implemented, or that documentation exists why certain recommendations weren't, including a grant prioritization "matrix", which was also recommended in this audit- recommendation #5.  - Staff has determined that all relevant findings were implemented and documented, as concurred with by OSA.  -At its March 9, 2016 regular meeting, the CAB adopted a revised P&P manual, which in addition to addressing in part several recommendations in the Paragon Audit (including 5, 8, 12, 17, 18 and 19), also clarifies and builds upon recommendations in the 2009 internal audit.	Ulane/Staff	3/31/16  <u>Documentation</u>  Written report/internal memo of audit review, summary and any recommendations to address relevant outstanding findings (if any).	<b>Complete 5/21/16</b>

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20	36	<b>Aeronautics grant manager is an approver in WIMS and in SAP</b> - Aeronautics should follow the CDOT Standards to segregate approval duties in WIMS and SAP. All system roles and responsibilities should be reviewed to comply with CDOT Standards.	Financial	Aeronautics CDOT HQ	<b>Agree.</b> Adjustments will be implemented to segregate approval duties as necessary. We'll examine the SAP Roles and TCodes by person and review them with SAP security staff to ensure compliance.	The formerly acting Division Business Manager structured and implemented SAP T-code approval revisions that segregated approval responsibilities and authorities.	Ulane/ Krochalis/ Gwin	12/31/15  <u>Documentation</u>  Screenshots of appropriate system approval flows/levels. Updated procedures in the Policies and Procedures manual.	<b>Complete</b> <b>12/31/15</b>
21	38	<b>Spreadsheet controls have not been implemented or need improvement</b> - Ensure all spreadsheet controls have been implemented. See detailed finding for a complete list of recommended spreadsheet controls.	Admin	Aeronautics	<b>Agree.</b> Staff will work with Dye Management to address these recommendations, and implement them as may be possible within the model, as well as in other spreadsheets. Staff will also work to minimize the use of multiple spreadsheets, minimizing the risk of errors.	The Division's business manager has implemented a variety of spreadsheet controls to address the specific recommendation within this finding. Critical spreadsheets now have limited/controlled access, are password protected, and are now stored in protected and backed up locations, including the aeronautics shared drive, Dropbox and/or SharePoint.	Ulane/ Krochalis/ Storie	6/30/16  <u>Documentation</u>  New user manual for the Fund 160 Model, the Aeronautic Business Operations Guide, which outlines the Sales & Excise tax processes, as well as the Aero CARs GL Detail report instructions, which is a report generated by SAP.	<b>Complete</b> <b>6/30/16</b>

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22	39	<b>The financial model contains some items that need to be corrected and/or explained</b> - The financial model excel file needs to have the embedded links removed. Check figures need to be corrected. Aeronautics should establish a plan for the period after the end of the forecast at 30 June 2019. Instructions for all tabs of the model need to be included and accurate.	Financial	Aeronautics	<b>Agree.</b> Staff will work with Dye Management personnel to quality check the financial model, and implement revisions as necessary.	The rationale for linking and pulling from outside sources is that the Fund 160 Model is an Aeronautics specific report, many of the projections and other data used to forecast are from other CDOT models, which the Aero staff doesn't have access to editing. The formulaic errors and check figures outlined above have been found and remedied. The model created by the consultant is above average in complexity, and the performance reviewers did not have a chance to spend enough time with the consultant to understand all the details of how the model was created, why it was created that way. However staff has had ongoing dialogue with the consultant and the CDOT Revenue analyst, and staff knows exactly how this model works, and has tested and proven the results are accurate.	Ulane/ Krochalis/ Wheeler	6/30/16  <u>Documentation</u>  Summary memo of corrections, revised Excel model, and revised model editing instructions from the consultant and DAF staff.	<b>Complete</b> <b>12/31/15</b>

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Finding No.	Page No.	Finding and Recommendation Summary	Finding Category	Agency Addressed	Agency Response	Action Plan	Action Item Owner	Implementation Due Date/ Documentation	Status
23	40	<b>Exit checklists were not found for two employees that recently left Aeronautics</b> - CDOT HR should ensure exit checklists are completed and included in the employee's file for employees who are no longer with the organization.	Admin	Aeronautics CDOT HQ	<b>Agree.</b> CDOT HR follows State of Colorado established employment transition policy and procedures. Staff will work with Kevin Furman (HR Director) in CDOT to encourage future employment transitions are appropriately processed and documented.	While CDOT does have an exit checklist form (#958) , these were apparently not used by the previous administration, nor were they initially completed upon hiring of the existing aeronautics staff CDOT form 958 provides for the documentation of the return of issued items, but does not provide a column for managers to record what was initially or subsequently issued to an employee. Aeronautics staff modified CDOT form 958 to add an "Issued" column, allowing for documentation of items issued to staff. The Division Director has completed form 958 for all existing staff, and will retain these forms in their local personnel files in the Director's office and completed upon employee termination or resignation, with a copy to HR..	Ulane	10/31/15 <u>Documentation</u>  Revised CDOT Form 958 Completed Form 958 (as of 12/8/15) for all current Division Employees Memo to file noting existence/need for exit checklists	<b>Complete 11/1/15</b>



Paragon Performance Audit: Recommendation Implementation Plan																				
ID	Task Name	Duration	Start	Actual Finish	Finish	% Complete	% Change	1st Quarter			3rd Quarter			1st Quarter			3rd Quarter			1st Qua
								J	S	N	J	M	M	J	S	N	J	M	M	J
0	ParagonActionPlan OCT	342.88 days	Wed 9/9/15		Sat 12/31/16	85%														
1	No Formal Ethics Training	103.88 days	Wed 9/9/15	12/9/15	Sun 1/31/16	100%														
2	No standardized Colorado Aeronautical Board (CAB) package with accurate key understandable metrics	38.75 days	Wed 9/9/15	10/15/15	Sat 10/31/15	100%														
3	No set calendar for CAB meetings	38.75 days	Wed 9/9/15	10/15/15	Sat 10/31/15	100%														
4	Some reporting lines were structured improperly	81.75 days	Wed 9/9/15	12/9/15	Thu 12/31/15	100%														
5	No competitive ranking between eligible grant requests	103.75 days	Wed 9/9/15	1/28/2016	Sun 1/31/16	100%														
6	No Contingency Plan for the Federal Aviation Administration (FAA) Project Contractor and Expert	15.75 days	Wed 9/9/15	11/04/15	Wed 9/30/15	100%														
7	Aeronautics does not have a contingency reserve cost center within the Aeronautics fund, complete feasibility research	81.88 days	Wed 9/9/15	12/9/15	Thu 12/31/15	100%														
8	Funding is focused on airports and their specific needs and doesn't include State-wide initiatives for tier 2 funding	38.88 days	Wed 9/9/15	10/19/15	Sat 10/31/15	100%														
9	No Web-Based Information Management System (WIMS) Training Manual	211.75 days	Wed 9/9/15	06/29/16	Thu 6/30/16	100%	+40%													
10	Airports are not required to provide project schedules and timing of related grant disbursement requests	343.75 days	Wed 9/9/15		Sat 12/31/16	33%														Dave,Scott
11	Planners have the ability to approve disbursements in WIMS without management approval	343.88 days	Wed 9/9/15		Sat 12/31/16	50%	+30%													Dave,Todd
12	No training manuals for the employee roles at Aeronautics	211.88 days	Wed 9/9/15	06/29/16	Thu 6/30/16	100%	+50%													Christine,Dave,Kaitlyn,Mike,Scott,Shahn,TK,Todd
13	Purchase Requisitions do not require Business Office approval	38.88 days	Wed 9/9/15	09/25/15	Sat 10/31/15	100%														Dave,Mike
14	No standard procedures to forecast and track actual cash receipts and expenditures	103.75 days	Wed 9/9/15	1/31/16	Sun 1/31/16	100%														Dave,Kaitlyn,Mike,Scott,TK,Todd,Andrew-DAF
15	A Memorandum of Understanding (MOU) has been drafted to share the WIMS System Code with the State of Idaho without CAB discussion and approval	15.75 days	Wed 9/9/15	9/30/15	Wed 9/30/15	100%														Dave
16	The FAA reimbursable agreement for Wide Area Multilateration (WAM) Blended Airspace reporting and status has not been fully communicated to Aeronautics and the CAB	81.75 days	Wed 9/9/15	10/15/15	Thu 12/31/15	100%														Dave
17	Inadequate and untimely information provided to stakeholders regarding financial constraints	26.88 days	Wed 9/9/15	10/14/15	Thu 10/15/15	100%														Dave
18	CAB meetings are only held at one location	211.75 days	Wed 9/9/15	10/15/15	Thu 6/30/16	100%														
19	Management has not remediated all relevant findings from the 2009 State audit	146.75 days	Wed 9/9/15	5/21/16	Thu 3/31/16	100%														Christine,Dave,Kaitlyn,Mike,Scott,Shahn,TK,Todd
20	Aeronautics grant manager is an approver in WIMS and in SAP	81.75 days	Wed 9/9/15	12/31/15	Thu 12/31/15	100%														Dave,Mike,TK
21	Spreadsheet controls have not been implemented or need improvement	211.88 days	Wed 9/9/15	06/29/16	Thu 6/30/16	100%	+15%													Dave,Mike,Scott
22	The financial model contains some items that need to be corrected and/or explained	58.75 days	Wed 9/9/15	12/31/15	Mon 11/30/15	100%														Andrew-DAF,Dave,Mike,Scott
23	Exit checklists were not found for two employees that recently left Aeronautics	38.75 days	Wed 9/9/15	11/1/15	Sat 10/31/15	100%														Dave,CDOT HR

ParagonActionPlan V-JUN2016.mpp

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Printed on: Thu 8/4/16



# COLORADO 2017 Proposed CAB Calendar

## Aeronautical Board

CAB 10-19-16  
CAB/Staff Workshop

January						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

**Monday, January 23<sup>rd</sup>**  
Tentative-Winter CAO  
Denver, CO

**Wednesday, March 8<sup>th</sup>**  
Division Offices  
Watkins, CO

**Wednesday, May 10<sup>th</sup>**  
Division Offices  
Watkins, CO

**June 7<sup>th</sup> -9<sup>th</sup>**  
Spring CAO  
Glenwood Springs, CO

**Wednesday, August 9<sup>th</sup>**  
Greeley-Weld County Airport  
Greeley, CO

**Wednesday, October 11<sup>th</sup>**  
Division Offices  
Watkins, CO

**Wednesday, December 13<sup>th</sup>**  
Division Offices  
Watkins, CO

## Federal Holidays 2017

<b>Jan 1</b> New Year's Day	<b>Feb 20</b> Presidents' Day	<b>Sep 4</b> Labor Day	<b>Nov 11</b> Veterans Day
<b>Jan 2</b> New Year's Day	<b>May 29</b> Memorial Day	<b>Oct 9</b> Columbus Day	<b>Nov 23</b> Thanksgiving Day
<b>Jan 16</b> Martin Luther King Day	<b>Jul 4</b> Independence Day	<b>Nov 10</b> Veterans Day (observed)	<b>Dec 25</b> Christmas Day

Proposed CAB Calendar as of September 14, 2016





**COLORADO**  
Department of Transportation  
Division of Aeronautics

5126 Front Range Parkway  
Watkins, CO 80137

## MEMORANDUM

TO: Colorado Aeronautical Board  
FROM: BRYCE SHUCK - BUSINESS MANAGER  
DATE: OCTOBER 19, 2016  
SUBJECT: FY 2017 KEY ITEM CALENDAR

---

Please see the attached FY 2017 Key Item Calendar for the division. This document is intended to improve the Division's planning and ability to anticipate upcoming events, and make sure that the appropriate parties are informed, and aware of upcoming key dates.

While the dates may change some, the general time frames are relevant and proper focus and planning for them should be followed.

This document will be dynamic and will have information added to it as it becomes relevant, or as we continue to add to the document, and will be shared with the board as part of the package at all meetings, with new information being highlighted each month.




**Colorado Division of Aeronautics**  
**FY 2017 Key Item Calendar**

Last Updated

6-Sep-16

Month	Date	Item	Lead	Lead Time	CAB Involved?
Jan-17	1	UPDATE REVENUE FORECAST	Bryce/Scott	14 days	No
	tbd	CAB APPROVE CURRENT YEAR GRANTS	Bryce/Planners	7 days	Yes
	23	WINTER CAO IN DENVER - CAB MEETING	All	7 days	Yes
Feb-17	15	WORKPLAN BUDGETS FINALIZED	Bryce	90 days	Approval Needed for SWI/CDAG
Mar-17	1	UPDATE REVENUE FORECAST	Bryce/Scott	14 days	No
	8	CAB MEETING	All	7 days	Yes
	8	CAB APPROVAL ON SWI FOR FY18	All	60 days	Yes
Apr-17	15	FY 18 O/S REQUESTS DUE	Bryce/Dave	14 days	No
May-17	10	CAB MEETING	All	7 days	Yes
	31	NEXT YEAR BUDGET PUSHED TO SAP	DAF	n/a	No
Jun-17	1	UPDATE REVENUE FORECAST	Bryce/Scott	14 days	No
	1	SPRING CAO IN GLENWOOD SPRINGS - CAB MEETING	All	7 days	Yes
	27	SAP CLOSE FOR YE	Bryce/Christine	n/a	No
Jul-16	13	ACCRUALS DUE	Planners	30 days	
Aug-16	3	SURPLUS SALE	Kaitlyn	30 days	No
	10	CAB MEETING	All	7 days	Yes
	17	FY18 BUDGET WORKSHOP	Bryce	7 days	No
	18	ROLL-FORWARDS DONE	DAF	7 days	No
	22	PERIOD 13 CLOSES IN SAP	Bryce	7 days	No
Sep-16	1	UPDATE REVENUE FORECAST	Bryce/Scott	14 days	No
	14	FY18 BUDGET WORKSHOP	Bryce	30 days	No
	14	CAB WORKSHOP & MEETING	All	7 days	Yes
	30	UPDATE TREASURY IN REGARDS TO MOU	Bryce/Dave	30 days	No
Oct-16	1	FY18 BUDGET NARRATIVE DUE / ADMIN	Bryce	30 days	Yes
	3	ANNUAL REPORT	Shahn	14 days	No
	19	CAB WORKSHOP & MEETING	All	7 days	Yes
	18	CIP WORKSHOP	Planners	7 days	Yes
	19	FY18 BUDGET WORKSHOP	Bryce	21 days	No
Nov-16	11	FY18 BUDGET WORKSHOP	Bryce	21 days	No
	TBD	MOU REVIEW	Dave	30 days	Yes
	TBD	CIP UPDATE DUE	Planners	7 days	No
Dec-16	tbd	CAB CALENDAR REVIEW	Dave	7 days	Yes
	2	CDAG APPS DUE	Planners	7 days	No
	2	AIRPORT DIRECTORY SENT TO PRINT	Shahn	7 days	No
	13	CAB MEETING	All	7 days	Yes
	13	CAB REVIEW CDAG GRANT APPS	All	7 days	Yes



**COLORADO**  
Department of Transportation  
Division of Aeronautics

5126 Front Range Parkway  
Watkins, CO 80137

## MEMORANDUM

TO: Colorado Aeronautical Board  
FROM: BRYCE SHUCK - BUSINESS MANAGER  
DATE: OCTOBER 19, 2016  
SUBJECT: DIVISION FUNDING SCENARIOS

---

Staff has developed various scenarios for showing what the recovery date for the Division would be given a variety of different forecasting methods.

Outlined are six different scenarios, including using the U.S. Energy Information Administration (EIA), (and Moody's for long-term) forecasts available; as well as a worst case scenario, where we look how far off the forecast can be for the aviation fund to still recover by the end of FY20 as per the MOU with DAF.

In addition, we show what the forecast would be using 13% and 6.5% as our key points, both positively, and negatively to the EIA forecast. The reason for using those numbers is after an analysis of EIA forecasts to actuals, both in the long-term, and short-term forecasts; we found a very linear expectation of the actual oil prices being nearly 13% under the initial EIA forecasts. A worksheet with the long-term data points is attached. EIA will be updating this data in April of 2017, at which time we will again do the exercise to see if we need to come up with alternative data points.

Please note that our pending negative adjustment of \$474,254.46 which is refunding DOR for a past amended filing WAS factored into our fund balance.



### CIP Funding:

Given the scenario where the price of oil is suppressed past even our most pessimistic forecast, the division has determined that by changing the match from \$150,000 to \$100,000 for FY18-20, we would potentially save an additional \$1.29m. Data below.

FY18-FY20					
CIP Grants \$150k CAP		CIP Grants \$100k CAP		Difference	
2018	\$1,678,831	2018	\$1,283,275	\$395,556	
2019	\$1,644,721	2019	\$1,171,105	\$473,616	
2020	\$1,631,245	2020	\$1,206,245	\$425,000	
				\$1,294,172	Total

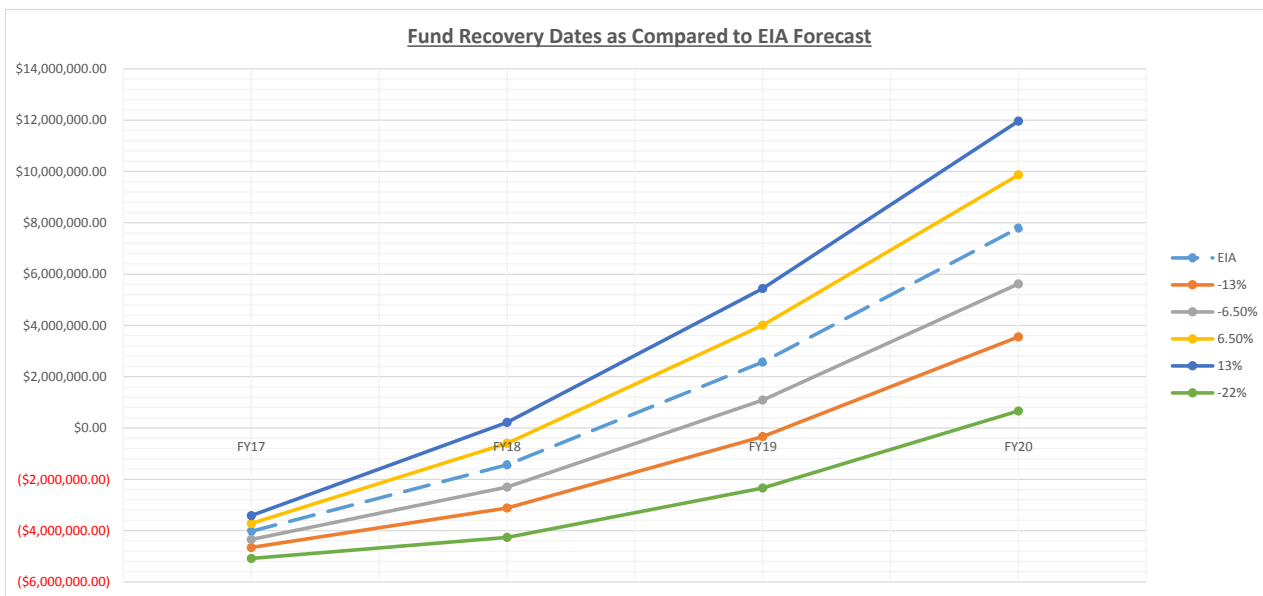


## EIA HISTORIC ACTUAL PRICE VS FORECAST

Initial Year	1 Year Out	2 Year Out	3 Year Out	4 Year Out	5 Year Out	AVERAGE
2008	-4.9%	-17.9%	21.8%	-8.3%	-33.5%	-8.6%
2009	6.0%	-32.7%	-32.8%	-35.9%	-22.9%	-23.7%
2010	-3.8%	-9.4%	-32.4%	-23.5%	-13.3%	-16.5%
2011	0.0%	-19.1%	-16.1%	-9.8%		-11.3%
2012	-0.6%	1.8%	14.6%			5.3%
2013	2.0%	1.1%				1.6%
2014	5.1%					5.1%
AVERAGE	0.5%	-12.7%	-9.0%	-19.4%	-23.2%	-12.7%

Fund Recovery Dates as Compared to EIA Forecast							
Scenario's	Forecast	FY17	FY18	FY19	FY20	Recovery Month	Trending Up
Scenario 1	EIA	(\$4,025,604.00)	(\$1,435,921.00)	\$2,570,126.00	\$7,796,824.00	Sep-18	Jul-17
Scenario 2	-13%	(\$4,656,704.00)	(\$3,115,188.00)	(\$335,129.00)	\$3,553,454.00	Aug-19	Jul-17
Scenario 3	-6.50%	(\$4,344,287.00)	(\$2,299,540.00)	\$1,091,153.00	\$5,618,541.00	Dec-18	Mar-19
Scenario 4	6.50%	(\$3,721,924.00)	(\$596,337.00)	\$4,008,611.00	\$9,864,612.00	Aug-18	Jul-17
Scenario 5	13%	(\$3,414,500.00)	\$219,940.00	\$5,435,138.00	\$11,962,731.00	Jun-18	Dec-16
Scenario 6	-22%	(\$5,084,166.00)	(\$4,265,319.00)	(\$2,337,820.00)	\$664,647.00	Apr-20	Aug-17

Forecasted Price of Oil At End of FY							
	Forecast	FY17	FY18	FY19	FY20	Recovery Month	Trending Up
Scenario 1	EIA	\$ 56.08	\$ 67.85	\$ 74.12	\$ 78.39	Sep-18	Jul-17
Scenario 2	-13%	\$ 48.78	\$ 59.04	\$ 64.48	\$ 68.20	Aug-19	Jul-17
Scenario 3	-6.50%	\$ 52.43	\$ 63.45	\$ 69.30	\$ 73.29	Dec-18	Mar-19
Scenario 4	6.50%	\$ 59.73	\$ 72.26	\$ 78.94	\$ 83.48	Aug-18	Jul-17
Scenario 5	13%	\$ 63.38	\$ 76.67	\$ 83.76	\$ 88.58	Jun-18	Dec-16
Scenario 6	-22%	\$ 43.76	\$ 52.91	\$ 57.80	\$ 61.14	Apr-20	Aug-17







**COLORADO**  
Department of Transportation  
Division of Aeronautics

5126 Front Range Parkway  
Watkins, CO 80137

## MEMORANDUM

**TO: Colorado Aeronautical Board**  
**FROM: SCOTT STORIE**  
**DATE: October 19, 2016**  
**SUBJECT: STATE GRANT ASSURANCES**

---

Over the years the Division staff have contemplated the idea of developing grant assurances for airports that receive Colorado Discretionary Aviation Grant (CDAG) funding and/or other funding supplied by Division programs. There are several considerations to be made in determining the need and benefit of assurances as well as how such assurances would be implemented and to what extent. Generally, assurances should be intended to protect an airport, its users, and the funding agencies investment in that airport. It is the Division staff's goal to discuss as part of this workshop the potential need, any considerations, and the extent of grant assurances should they be deemed as beneficial to the Division and the Colorado system of airports.

Of the 74 airports in Colorado open for public use, 49 are in the FAA's National Plan of Integrated Airport Systems (NPIAS) which is a requirement for an airport to be eligible for FAA funding. When NPIAS airports accept FAA funding they must agree to the [FAA's 39 grant assurances](#). FAA grant assurances require the airport to maintain and operate their facilities safely and efficiently and in accordance with other specified conditions. In essence the assurances are intended to help the airport help itself, while meeting federal laws, and ensuring the efficient and responsible use of facilities utilizing federal funding. Since the NPIAS airports that receive federal funding are already bound to the FAA grant assurances, it may not be necessary to include them in any potential state grant assurances unless proposed state grant assurances would not already be covered by FAA grant assurances. The Division staff would not intend to duplicate nor expand the existing grant assurances already covering most airports.

The first and most obvious potential applicability for state grant assurances would be to Colorado's 25 Non-NPIAS airports that are not currently required to make assurances to the state in order to receive grant funding. Although Colorado airports are not obligated to maintain and operate their facilities safely and efficiently through grant assurances, the Division has over the years used some FAA standards and assurances to help Non-NPIAS airports. Such advice typically comes from areas such as the development of airport master plans, adherence to FAA Part 77 standards on the airfield, and compatible land use.

In August of 2013 the CAB approved and executed a MOU with a Colorado Non-NPIAS airport in an effort to encourage and assist the airport in developing its facilities in a safer manner, see attached Exhibit A. This MOU laid out what was determined at the time to be the assurances that would be most beneficial to a Non-NPIAS airport. Those items which mirrored existing FAA assurances included compatible land use, hazard removal, and Part 77 compliance on the airport. This MOU was developed with the airport after learning that plans were being developed to build homes within the RPZ for the runway. Although the airport did have challenges to address in the fact they did not own the land within the RPZ it made them aware of the concerns they should have and what efforts they could take to protect the airport and its users. There are also many other Non-NPIAS airports within the state that already have or will have development that under federal standards could pose safety concerns.

The assurances previously used in the MOU were based on existing FAA grant assurances number 19, 20, and 21 and should be a good starting point in a discussion of what assurances could be most helpful and relevant for Non-NPIAS airports. The three assurances previously used in the MOU are defined as follows, with the forth being a new consideration:

1. **Compatible Land Use.** Compatible Land Use and Planning in and around airports benefits the State Aviation System by providing opportunities for safe airport development, preservation of airport and aircraft operations, protection of airport approaches, reduced potential for litigation and compliance with appropriate airport design standards. The airport will take appropriate action, to the extent reasonable, to restrict the use of land adjacent to, in the immediate vicinity of, or on the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.
2. **Hazard Removal and Mitigation.** The airport will take appropriate action to protect aircraft operations to/from the airport and ensure such paths are adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.
3. **Safe, Efficient Use, and Preservation of Navigable Airspace.** The airport shall comply with 14 CFR Part 77 for all future airport development and anytime an existing airport development is altered.
4. **Operation and Maintenance.** The airport and all facilities which are necessary to serve the aeronautical users of the airport shall be operated at all times in a safe and serviceable condition. The airport will also have in effect arrangements for:

- a. Operating the airport's aeronautical facilities whenever required;
- b. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
- c. Promptly notifying airmen of any condition affecting aeronautical use of the airport.

Other relevant considerations for assurances may include the obligation to perform preventative pavement maintenance on pavement funded by the Division to ensure a maximum lifespan. Another may be to include a repayment clause for grant funding should the airport cease to operate or remain open for public aeronautical use.

Should it be determined that assurances are appropriate other considerations include a term on the assurances, non-compliance language, and to which Division funding would they be applicable. Since the Division is non-regulatory, non-compliance would likely result in repayment and/or ineligibility for further funding. It would also be relevant to decide which funds would include such grant assurances, would they apply to CDAGs and/or funding supplied for other programs such as the internship, crack fill, and surplus programs.

The Division staff look forward to a discussion with the board on this subject in an effort to determine any benefits to the Colorado System of Airports. Should the Division decide to implement any grant assurances, they should be done to accomplish the goals of enhancing and protecting airports, their users, as well as the investment of the Division should such airports accept Division funding.

## EXHIBIT A

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
STATE OF COLORADO, DEPARTMENT OF TRANSPORTATION,  
DIVISION OF AERONAUTICS AND  
ANIMAS AIR PARK PROPERTY OWNERS ASSOCIATION, INC.

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the ANIMAS AIR PARK PROPERTY OWNERS ASSOCIATION, INC. (hereinafter referred to the “Association”), a Colorado corporation, and the STATE OF COLORADO acting by and through the Colorado Department of Transportation, Division of Aeronautics (hereinafter referred to the “Division”).

WHEREAS, the Association owns and operates Animas Airpark (hereinafter referred to the “Airport”), a public-use airport located in La Plata County, near Durango, CO; and

WHEREAS, the Airport is not in the National Plan of Integrated Airport Systems (“NPIAS”) and therefore ineligible to receive Federal grants under the Federal Aviation Association (“FAA”) Airport Improvement Program (“AIP”); and

WHEREAS, the Airport has not received grants from the FAA’s AIP and therefore is not bound by the FAA’s Grant Assurances; and

WHEREAS, the Division is responsible for managing the Colorado Discretionary Aviation Grant (“CDAG”) Program and CDAG funding is dictated by C.R.S 43-10 108.5 State Aviation System Grant Program; and

WHEREAS, the Association has applied for and has been the recipient of CDAGs for specific aviation use improvements to the Airport as defined in the respective grants themselves and the Association intends to remain eligible for and to apply for CDAGs in the future; and

WHEREAS, understanding the facts and circumstances set out above, both the Division and the Association agree that it would be to their mutual benefit that the Association make certain assurances to the Division through this MOU that protect the Airport, its improvements, and the Divisions investment in the Airport.

NOW, THEREFORE, the parties hereto set forth their understanding, and agree, as follows:

1. **Benefits of Compatible Land Use.** Compatible Land Use and Planning in and around airports benefits the State Aviation System by providing opportunities for safe airport development, preservation of airport and aircraft operations, protection of airport approaches, reduced potential for litigation and compliance with airport design standards.
2. **Compatible Land Use.** The Association will take appropriate action, to the extent reasonable, to restrict the use of land adjacent to, in the immediate vicinity of, or on the Airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.
3. **Hazard Removal and Mitigation.** The Association will take appropriate action to protect aircraft operations to/from the Airport and ensure such paths are adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing Airport hazards and by preventing the establishment or creation of future Airport hazards.
4. **Safe, Efficient Use, and Preservation of Navigable Airspace.** The Association shall comply with 14 CFR Part 77, especially for all future Airport development and anytime an existing Airport development is altered.
5. **Term.** This MOU takes effect on the date first mentioned above and shall remain in effect for 10 years following the execution date of any current or future CDAG issued.
6. **Non-Compliance.** If at any time the understandings made in this MOU are violated by the Association, the Division may not support CDAG requests from the Association indefinitely or until cured by future agreements.
7. **No Guarantee of Funding.** Execution of this MOU does not in any way guarantee the Association will become the recipient of CDAGs or any other funding from the Division during the term of this MOU and the Association must be, independent of this MOU, eligible for and become approved for Division funding as dictated by any current and future requirements for such funding.

THE PARTIES HERETO have accepted and executed this instrument.

STATE OF COLORADO,  
DEPARTMENT OF TRANSPORTATION,  
DIVISION OF AERONAUTICS

\_\_\_\_\_  
By:\_\_\_\_\_

Date:\_\_\_\_\_

ANIMAS AIR PARK PROPERTY OWNERS ASSOCIATION, INC.

\_\_\_\_\_  
By:\_\_\_\_\_

Date:\_\_\_\_\_



**COLORADO**  
Department of Transportation  
Division of Aeronautics

5126 Front Range Parkway  
Watkins, CO 80137

## MEMORANDUM

TO: Colorado Aeronautical Board  
FROM: Todd Green  
DATE: **October 19, 2016**  
SUBJECT: Airport Data Profile Submittal Requirement

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The Division recently completed the development of the Colorado General Aviation Airport Sustainability Program and the associated Sustainability Toolkit in WIMS. While developing the Sustainability Program it became apparent that the WIMS-based Sustainability Toolkit had added benefits to the Division and the entire system of airports beyond airport sustainability. These benefits were discovered in the first step of developing an airport sustainability plan, the airport profile. This profile represents the existing conditions and operating characteristics of an airport.

It became apparent that the individual airport profiles could be very beneficial to the Division and the system of airports as a statewide data warehouse. The information collected annually from each of the profiles could be used in many ways, including pre-populating data for upcoming State Systems Plan and Economic Impact Study updates. Having current airport profiles would help the Division significantly reduce the cost of these updates, and allow the Division to reinvest those saved funds back into airport projects. As more and more airports participate, the benefits will continue to grow.

To help realize these benefits, on August 2<sup>nd</sup> the Division sent out an “Action Call” to all the public-use airports in Colorado requesting that each of them fill out their airport profiles within WIMS and to continue this effort on an annual basis. The “Action Call” that was sent out to the airports has been attached for your reference. At this point the Division left this request as purely voluntary, but also informed airports that a completed airport profile may be a prerequisite for State grant funding in the future.

To date six airports have completed their airport profiles and three of those airports have put in data for multiple years. The airports that have completed airport profiles are listed below:

- Centennial Airport (2014)
- Cortez (2014 & 2015)
- Fremont County Airport (2014 & 2015)
- Front Range Airport (2015)
- Northern Colorado Regional Airport (2014 & 2015)
- Rocky Mountain Metropolitan Airport (2015)

*The Division staff would like to discuss the concept of making a completed airport profile a condition of State grant funding starting for the 2018 grant cycle.*



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## ACTION CALL: Please Update WIMS Airport Profile

1 message

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Colorado Department of Transportation <cdot@service.govdelivery.com>

Tue, Aug 2, 2016 at 10:14 AM

Reply-To: cdot@service.govdelivery.com

To: kaitlyn.westendorf@state.co.us



## HELP US: Please update your WIMS airport data profile

Dear Colorado Airports,

As many of you know, the Division of Aeronautics recently completed its development of the Colorado General Aviation Airport Sustainability Program and the Sustainability Toolkit in WIMS. The program recently received some national attention in the July/August issue of Airport Magazine, published by the American Association of Airport Executives (AAAE). If you have not seen the article and would like to give it a read just click [here](#).

While developing the Sustainability Program it became apparent that the WIMS-based Sustainability Toolkit has added benefits to the Division and the entire system of airports beyond airport sustainability. The information collected annually from each of your airport profiles can be used in many ways, including pre-populating data for our upcoming State Systems Plan and Economic Impact Study updates. Having your airport profile data current in WIMS will help us significantly reduce the costs of the systems plan and economic impact studies, and allow the Division to reinvest those saved funds back into airport projects. As more and more airports participate, the benefits will continue to grow.

The Division needs your help to recognize these benefits. Although participation in the Sustainability Program is voluntary, the Division is requesting that you fill out your complete airport profile and update it on an annual basis. While in the future a completed airport data profile in WIMS may be a prerequisite for state grant funding, at this time, providing this information is voluntary. In addition to the valuable airport information that is collected statewide, once you have your profile completed, you are well on your way to creating an individualized airport sustainability plan for your airport when you choose to do so. Additionally because our WIMS airport profile data is saved every year, WIMS will be able to provide you with a historical view of your airport's prior years information, which can be locally useful to you in a number of ways.



To help you get started, below are links to a [checklist](#) of documents to gather prior to sitting down and entering your profile data, and a comprehensive [user's manual](#) that will take you step-by-step through the process in WIMS.

- [Profile Data Checklist](#)
- [Tool Kit User's Manual](#)

The Division truly appreciates your assistance in helping us help you, and we strongly encourage you to update your airport's profile information. Division planners are available at any time to assist you, or answer any questions you might have, so please give us a call at [303-512-5250](tel:303-512-5250).

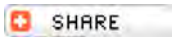
Thanks!



David Ulane  
Aeronautics Director



Colorado Division of Aeronautics  
5126 Front Range Parkway | Watkins, CO 80137  
[303.512.5250](tel:303.512.5250) | [www.colorado-aeronautics.org](http://www.colorado-aeronautics.org)



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This email was sent to [kaitlyn.westendorf@state.co.us](mailto:kaitlyn.westendorf@state.co.us) using GovDelivery, on behalf of the Colorado Department of Transportation • 4201 East Arkansas Ave • Denver, CO 80222 • [303-757-9011](tel:303-757-9011)

